On behalf of Mayor Vincent C. Gray and the D.C. Department of Insurance, Securities and Banking, we are pleased to welcome you back to Washington, D.C. for the 2014 National Association of Insurance Commissioners Fall National Meeting.

While meetings will keep us busy this week, I hope that between and after sessions you can take advantage of the District’s historic sites, museums and restaurants. As you know, every part of the District is steeped in history. You don’t have to go very far in Washington, D.C. to experience or learn from our nation’s history. In fact, this very hotel was previously an apartment building and home for a while to Presidents Hoover, Eisenhower and Johnson and several vice presidents, chief justices and senators.

I firmly believe that your full participation in the NAIC process consistently results in better outcomes.

The U.S. insurance regulatory structure has been tested – and proven effective repeatedly, which is why it is so critical that we remain engaged internationally. Our markets continue to get more sophisticated and interconnected. Now that the election is over, we need to focus some of our collective attention on the activities across town on Capitol Hill.

The clock is ticking, and if Congress doesn’t act, the Terrorism Risk Insurance Act will expire – leaving a significant void in insurance markets for terrorism coverage. The NAIC continues to support TRIA – as we have since its inception and subsequent reauthorizations. A long-term reauthorization before the program expires next month is critical to market stability in this sector, as well as related matters.

Again, welcome back to Washington, D.C.

Sincerely,

Chester A. McPherson, Acting Commissioner
D.C. Department of Insurance, Securities and Banking
### TODAY’S AGENDA

#### Territories (B) Subgroup
7:30 – 8 AM - Thurgood Marshall NE—Mezzanine Level

#### Corporate Governance (E) Working Group
8 – 9 AM - Thurgood Marshall SW—Mezzanine Level

#### Health Care Reform Regulatory Alternatives (B) Working Group
8 – 9 AM - Thurgood Marshall NE—Mezzanine Level

#### Terrorism Risk Insurance Implementation (E) Working Group
8 – 9 AM - Delaware—Lobby Level

#### Principle-Based Reserving Implementation (EX) Task Force
8 – 9 AM - Lincoln 5-6—Exhibition Level

*Receivership Financial Analysis (E) Working Group
8 – 10 AM - Lincoln 5-6—Exhibition Level

#### Producer Licensing (EX) Working Group
8:30 – 10 AM - Delaware—Lobby Level

#### Private Equity Issues (E) Working Group
9 – 10 AM - Lincoln 5-6—Exhibition Level

*Commissioners Roundtable
9 – 11:30 AM - Marriott Ballroom—Lobby Level

#### Health Risk-Based Capital (E) Working Group
10 – 11 AM - Lincoln 5-6—Exhibition Level

#### Receivership and Insolvency (E) Task Force
10:30 AM – 12 PM - Thurgood Marshall Southwest—Mezzanine Level

#### Catastrophe Insurance (C) Working Group
11 AM – 12:30 PM - Lincoln 5-6—Exhibition Level

#### Network Adequacy Model Review (B) Subgroup
11:30 AM – 1 PM - Maryland—Lobby Level

#### Accounting Practices & Procedures (E) Task Force
followed by Examination Oversight (E) Task Force
12 – 1 PM - Thurgood Marshall Northeast—Mezzanine Level

#### Executive (EX) Committee
1 – 2 PM - Marriott Ballroom—Lobby Level

#### NAIC/Consumer Liaison Committee
1:30 – 3 PM - Thurgood Marshall Northeast—Mezzanine Level

#### Life Insurance and Annuities (A) Committee
2 – 3:30 PM - Virginia—Lobby Level

#### Valuation of Securities (E) Task Force
2 – 3:30 PM - Thurgood Marshall Southwest—Mezzanine Level

#### Producer Licensing (EX) Task Force
3 – 4 PM - Lincoln 5-6—Exhibition Level

#### ACA Medical Professional Liability (C) Working Group
3 – 4:30 PM - Maryland—Lobby Level

#### Health Insurance and Managed Care (B) Committee
3:30 – 5 PM - Virginia—Lobby Level

#### Reinsurance (E) Task Force
3:30 – 5 PM - Thurgood Marshall Southwest—Mezzanine Level

#### Title Insurance (C) Task Force
4 – 5 PM - Thurgood Marshall Northeast—Mezzanine Level

#### Capital Adequacy (E) Task Force
5 – 6 PM - Thurgood Marshall Southwest—Mezzanine Level

*Regulator only – see agenda, or visit meetings.naic.org for policy statement statement on open meetings.

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The NAIC presented Lenita Blasingame (above, left center) of the Arkansas Insurance Department and Belinda Miller (above, right center) of the Florida Office of Insurance Regulation with the organization’s most prestigious individual honor. Blasingame and Miller were given the Robert Dineen Award during the Opening Session of the NAIC 2014 Fall National Meeting.

“Lenita Blasingame is considered the stable rudder of the Arkansas Insurance Department. She started her career with the department as a summer intern and is referred to as a visionary constantly looking to improve the operations of the division, and understands the necessity of modernization,” said Adam Hamm, NAIC President and North Dakota Insurance Commissioner. “Belinda Miller is an exceptional regulator who participates in more than 15 NAIC committees, and has shaped modern regulatory practices nationally in a variety of areas. Her depth and breadth of knowledge complement her ability to build consensus and achieve positive outcomes while calmly facing challenging issues.”

Named for Robert Dineen, founder of NAIC’s Central Office in Kansas City, the award represents the most prestigious individual honor given to a state regulator.

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The IIPRC held its annual meeting in Washington, D.C., on November 15 and elected a new slate of officers. The Commission elected Massachusetts Insurance Commissioner Joseph G. Murphy (photo: center) as Chair; New Jersey Commissioner of Banking and Insurance Kenneth E. Kobylowski (photo: left) as Vice Chair; and Virginia Insurance Commissioner Jacqueline K. Cunningham (photo: right) as Treasurer. The Management Committee for the coming year also includes Illinois, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico and Texas.

“Good things are happening at the Compact, and I am committed to promoting this member-driven organization. Our accomplishments in this past year included welcoming Arizona to the Compact and achieving record levels for filing companies and products,” said Murphy. “Our focus will continue to be on enhancing the filing process and ensuring the Compact continues to be a viable alternative for insurers.”

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The NAIC Financial Regulation Standards and Accreditation (F) Committee voted to accredit the Maryland, New York, Oregon and Washington departments. Accredited state insurance departments undergo a comprehensive, independent review every five years to ensure they meet financial solvency oversight standards.

The NAIC accreditation program establishes and maintains sound solvency regulation standards. It provides for the effective regulation of multi-state insurance companies with emphasis on each state’s:

- financial solvency laws and regulations;
- financial analysis and examination capabilities;
- organizational and personnel practices; and
- insurer organizational review, licensing and change of control of domestic insurers.

For more information visit: naic.org/committees_f.htm
PRAEGER HONORED WITH PRESIDENT’S AWARD

During Opening Session, Adam Hamm, NAIC President and North Dakota Insurance Commissioner honored Sandy Praeger, NAIC Past-President (2008) and Kansas Insurance Commissioner President’s Award for Distinguished NAIC Member Leadership.

“Today, I am pleased to share this honor with Sandy, as she attends her last national meeting as a member of the NAIC. During her 12 years in office, she has shaped policy, built consensus and been a friend to so many of us in this room. Thank you Sandy for your contributions throughout your tenure. You will truly be missed,” said Hamm.

Praeger was first elected as Kansas Insurance Commissioner in 2002, and assumed office in 2003. As NAIC president, she set a vision for collaboration and cooperation and navigated the organization through some of the industry’s most contentious policy debates.

The President’s Award was first presented by then President Sandy Praeger in 2008 to retiring North Carolina Insurance Commissioner Jim Long.

OPENING SESSION Continued from Page 1

products such as workers compensation.

Congress also has another piece of legislation that – if passed – will result in stronger consumer protections for products sold by insurers organized as Thrift Holding Companies. Earlier this year, Congress introduced the Policyholder Protection Act that relates to what we call the “Source of Strength” doctrine. A central tenant of insurance regulation is the ability to wall off an insurance legal entity to avoid contagion from financial problems elsewhere in a group. Regulatory checks on the fungibility of capital within the group protected insurers during the financial crisis. These safeguards are present in the Bank Holding Company Act for movement of funds between an insurer and bank. However, it is unclear if insurers affiliated with thrifts enjoy those same protections.

A related issue is the Federal Reserve’s ability to tailor capital standards for certain insurance companies. Many in this room – regulators and industry representatives – contend that the Fed has flexibility in setting capital standards for the insurance companies it regulates. However, they contend that they require clarification from Congress to exercise that power. Let that sink in. A financial regulator is taking a narrower view of its authority than the companies it regulates. We have seen some movement – the House and Senate have each passed legislation to clarify their authority.

Without getting too sappy – we indeed have a lot to be thankful for. Not the least of which is the support that our state insurance departments give to the NAIC and state-based insurance regulation collectively.

PRAEGER HONORED CONTINUED

IIPRC ELECTS 2015 OFFICERS Continued from Page 2

A review process. We are adding resources and introducing SERFF features such as associated filings and web-based public access to approvals. We are also committed to working with our fellow states to address barriers to the remaining states joining the Compact.”

“I am a strong believer in the mission of the IIPRC as a state-based solution for uniformity and speed-to-market approval of products by leveraging our shared expertise and mutual goal of protecting consumers,” said Kobylowski. “As Vice Chair of the Commission, I will emphasize increased industry utilization of the Compact. We continue to build out standards for the remaining product types and reach out to companies on the benefits of using the IIPRC filing process and improving the filing process.”

“I am honored to serve as Treasurer during this time of sustained positive financial and operational growth of this organization,” added Cunningham. “Bringing on additional review team resources will enable us to maintain high levels of support for member states and filing companies.”

WELCOME NEW MEMBER

The NAIC welcomes new member, Mark O. Rabauliman from the Commonwealth of the Northern Mariana Islands (CNMI) Department of Commerce. Rabauliman’s office holds as custodian all certificates, papers, statements or other records of documents required for corporate entities.

Rabauliman is a member of the Department of Commerce’s grants team, energy marshal and the foreign investors review committee. Rabauliman earned an associate’s degree from Walla Walla Community College and studied management information systems in business administration at Washington State University.