NAIC RATING AGENCY WORKING GROUP HEARING
24-SEP-09
WASHINGTON DC
NAIC 2009 FALL NATIONAL MEETING

ROLE OF RATING AGENCIES IN STATE INSURANCE REGULATION

Panel 1: Use of Ratings in State Insurance Regulation

8:30 AM – 10:00 AM

State insurance regulators are responsible for ensuring solvency of the regulated insurance companies. As part of this process, the NAIC and the states use ratings to determine the risk-based capital charge for rated bonds, as well as setting many limits for insurance company risk exposures. How did that system evolve, and how well does it work today?

Participants:

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Chris Evangel, Managing Director
Managing Director
NAIC Securities Valuation Office

Nancy Bennett, FSA, CERA, MAAA
Senior Life Fellow
American Academy of Actuaries

Michael Moriarty
Deputy Superintendent
New York State Insurance Department

Eric Steigerwalt
Senior Vice President,CFO
Metropolitan Life Insurance Company

Birny Birnbaum
Center for Economic Justice

Break – 10:00 AM - 10:30 AM

Panel 2: Rating Agencies – What Happened?

10:30 AM – 1:00 PM

Investors rely on credit ratings to be a forward-looking reflection of risk. Did those ratings fulfill investor expectations? Looking back, in what ways could the rating agencies have fulfilled those expectations better? Have rating agencies changed their approach in response to the economic crisis, in particular when rating structured securities? If so, in what way? Should there be other changes?

Should ratings be comparable, signifying an equal probability of loss, across corporate, structured, and municipal securities?

Participants:

Representative TBD
Moody's

Grace Osborn
Managing Director, North American Head of Insurance Ratings
Standard & Poors

Keith Buckley
Group Managing Director, Head of Insurance Group
John Olert
Group Managing Director, Head of ABS and Structured Credit Group
Fitch Ratings

Mary Keogh
Managing Director
DBRS Limited

Josh Rosner
Managing Director
Graham Fisher & Co

Jerome Fons

Principal
Fons Risk Solutions

David P. Marks
Executive Vice President & Chief Investment Officer
CUNA Mutual Group

Lunch Break & **Press** – 1:00 PM – 2:00PM

Panel 3: Recommendations and Alternatives to how the NAIC uses ratings

2:00 PM – 4:00PM

The economic crisis has resulted in steep rating downgrades and drops in asset values. Is the current ratings model adequate in measuring risk, especially the risk of structured securities?
Are there better alternatives for measuring risk of fixed income securities than credit ratings?

Participants

Mani Sabapathi, CFA
Principal, Structured Product Research
Prudential Insurance

Rod Dubitsky
Executive Vice President
PIMCO Advisory

Robert Dobilas
President & CEO
Realpoint LLC

Matt Richardson
Charles E. Simon Professor of Financial Economics, Director, Salomon Center
New York University

Heather Brilliant, CFA
Director of Stock Analysis
Morningstar, Inc.

Michael Macchiaroli
Associate Director of the Division of Trading and Markets
United States Securities and Exchange Commission