

February 8, 2010

Alfred Gross, Chair and
Monica Mächler, Vice-Chair
Technical Committee
International Association of Insurance Supervisors (IAIS)

Re: Memorandum Observers Ref: 09/201 Invitation for comments for February 2010 Observer Hearing

Dear Mr. Gross and Ms. Mächler:

The undersigned IAIS Observer insurance associations wish to thank you for the opportunity to respond to your request to bring greater coordination to presenting our views to the Technical Committee in a concise way as well as your invitation to provide suggestions for improving the hearing process.

Industry Observers have welcomed and embraced the opportunities that the IAIS has provided for dialogue between regulators and industry Observers. We also recognize that improvements to the current process of consultation and dialogue with regulators are desirable and important. The principle of consultation is to have an exchange of ideas and information; and coming together with a collective voice whenever possible can be more effective and have a greater impact in communicating our message.

In considering any collaborative approach, we wish to acknowledge a number of factors: that there needs to be a balance between coordination of views with a limited number of contributions, and the recognition that each Observer should have an opportunity to contribute to the IAIS hearings; that the process must promote active dialogue; that repetition among speakers and between written and oral statements should be eliminated as much as possible; and that sufficient time needs to be built into meetings for an exchange of views.

With these principles in mind, we wish to convey to you that Observer associations have begun to lay out a process for coordinating the comments of Observers at future technical hearings. Through our Network of Insurance Associations, we will seize opportunities to make joint submissions from two or more Observer groups. In order to facilitate that process, we would ask for the Technical Committee's cooperation in ensuring that the Network is provided with the list of topics for consideration, with sufficient time in advance of the meetings to facilitate that collaboration. This should not preclude, however, other Observers from putting forward individual submissions.

More immediately, we also wish to recommend for your consideration an adaptation of the Technical Committee meeting process so as to foster a more

interactive dialogue. We propose that the meeting take a multiple panel approach whereby a panel of Observers who wish to participate on the panel would be convened on each consultation topic. Observers presenting on each topic would all be invited to the table at the same time to present their opening remarks and to subsequently respond to the questions or issues raised by the Technical Committee. This approach, similar to the process applied to many parliamentary and congressional committee hearings, would facilitate an active exchange of views and information. We also suggest that Observers who are present but not seated at the table be provided an opportunity to respond to specific issues raised during the meeting.

Thank you again for this opportunity. We look forward to working with you to further improve the consultation process.

Sincerely,

American Insurance Association (AIA)
American Council of Life Insurers (ACLI)
Association of Bermuda Insurers and Reinsurers (ABIR)
Association of British Insurers (ABI)
Canadian Life and Health Insurance Association (CLHIA)
European Insurance and Reinsurance Federation (CEA)
Group of North American Insurance Enterprises (GNAIE)
Insurance Council of Australia (ICA)
Interamerican Federation of Insurance Companies (FIDES)
Mexican Association of Insurance Companies (AMIS)
Property Casualty Insurers Association of America (PCI)