



**NAIC** News Release  
National Association of  
Insurance Commissioners

**FOR IMMEDIATE RELEASE**

## **REGULATORS DENY INDUSTRY'S REQUEST TO LOWER CAPITAL, SURPLUS STANDARDS**

**KANSAS CITY, Mo. (Jan. 29, 2009)** — Insurance regulators, working together through the National Association of Insurance Commissioners (NAIC), have denied a request from the life insurance industry to relax capital and surplus requirements. This action was taken by the NAIC Executive Committee during a meeting held today via teleconference.

“So far the insurance industry is in much better condition than most of the rest of the financial services sector because of strong state solvency regulations,” said NAIC President and New Hampshire Insurance Commissioner Roger Sevigny. “Simply put, the industry has not made a credible case for why we need to make changes on an emergency basis, and why those changes should be limited to the specific proposals made by the industry.”

During a four-hour public hearing held Jan. 27, 2009, regulators took comments from industry representatives, consumer groups and other interested parties on the industry's nine proposals.

Following the hearing, members of the NAIC Capital and Surplus Working Group recommended the rejection of three proposals, and the approval of variations of six other proposals impacting reserving requirements, reinsurance collateral and accounting procedures.

“While the Working Group's proposals have merit, we believe such adjustments would be better implemented through the NAIC's standard protocol,” said NAIC Vice President and Iowa Insurance Commissioner Susan Voss. “Any future consideration of changes to regulatory requirements will follow the NAIC's open, transparent and deliberative process.”

As such, the proposals adopted by the Working Group will be referred to the appropriate NAIC technical groups and committees for further consideration. In the interim, current state law provides insurance regulators with the discretion necessary to supply measured relief to companies on a case-by-case basis.

“State insurance regulators use time-tested tools to protect consumers and help maintain a solvent and competitive marketplace,” Sevigny added. “Today's vote reflects our belief that it is not appropriate to make emergency, permanent industry-wide changes for which the need has not



### **Contacts**

**Communications Division**  
(816) 783-8909  
[news@naic.org](mailto:news@naic.org)

**Scott Holeman**  
Communications  
Director

**Jeremy Wilkinson**  
Electronic Communications  
Manager

**Heidi Cline**  
Communications  
Specialist

**Vanessa Sink**  
Communications  
Specialist

**Ashley Manis**  
Communications  
Intern

Visit the [PRESSROOM](#) to  
search news releases and  
for more media  
information

[Join Our E-mail List](#)  
Receive the latest news  
releases and other  
information from the NAIC  
Communications Division!

been demonstrated.”

---

## About the NAIC

Formed in 1871, the National Association of Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. The NAIC has three offices: Executive Office, Washington, D.C.; Central Office, Kansas City, Mo.; and Securities Valuation Office, New York City. The NAIC serves the needs of consumers and the industry, with an overriding objective of supporting state insurance regulators as they protect consumers and maintain the financial stability of the insurance marketplace. For more information, visit [www.naic.org](http://www.naic.org).

---

You are currently subscribed to the “NAIC News Release” electronic service. For information regarding this service, please contact the NAIC Communications Division, 2301 McGee Street, Kansas City, MO 64108, 816-783-8909.

To unsubscribe from NAIC Electronic Services, send a blank e-mail to [NAIC Opt Out](#) services.

[ [NAIC Web Site](#) | [Search NAIC and State Insurance Department Sites](#) ]

[ [Copyright & Reprint Info](#) | [Privacy Statement](#) ]

**©2009 National Association of Insurance Commissioners. All rights reserved.**