



FOR IMMEDIATE RELEASE

CAPITAL, SURPLUS RELIEF MEASURES RECEIVE OPEN, EXPEDITIOUS REVIEW

Process Needs Adequate Review to Ensure Consumer Protection

KANSAS CITY, Mo. (Jan. 5, 2009) — National Association of Insurance Commissioners (NAIC) President and New Hampshire Insurance Commissioner Roger Sevigny today issued the following statement regarding the request from the American Council of Life Insurers (ACLI) for capital and surplus relief for life insurance companies:

“During this unprecedented time of economic upheaval, existing conservative state regulatory requirements have helped insurers remain solvent when other financial institutions were failing. Rigorous solvency standards protect companies — and, even more importantly, protect consumers.

“Over the past two months, we have been working diligently to analyze what is being requested by the ACLI. While many of the ACLI’s requests have been under consideration by insurance regulators for quite some time, I can assure you that careful deliberation will be exercised before any action is taken.

“There is no ‘one-size-fits-all’ solution to the challenges facing the industry. However, we want to make all reasonable efforts to act uniformly on regulatory matters with national scope. So it makes sense that the NAIC would take the lead and offer authoritative guidance on this complex issue.

“One of the most important questions for regulators to consider in this regard is the likelihood that every state could, and would, implement any changes adopted by the NAIC membership as a whole. Certainly, concerns have been raised regarding our ability to achieve uniform adoption of the suggested options within the time frame requested by the industry.

“It must be recognized that implementation of any approved changes would be difficult from a timing standpoint in some cases, given that several of the items identified are currently included in state statute or regulation, which require a deliberative process for change.

“State regulators hold insurers to conservative solvency standards to provide the ultimate protection to consumers — making sure a company will be able to pay claims. We will not contemplate making any changes that would negatively impact existing consumer-protection measures.



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“We have every confidence the NAIC Capital and Surplus Relief Working Group will complete an open, expeditious and thorough review.”

PUBLIC HEARING

The NAIC formed the Capital and Surplus Relief Working Group to review the ACLI request. The Working Group then enlisted the aid of several NAIC technical groups to provide their initial analyses of the ACLI proposal. In addition to a public comment period that ended Dec. 26, 2008, the Working Group will hold a public hearing to gather additional comments and information.

WHAT: Public Hearing to Discuss ACLI Request for
Capital and Surplus Relief

WHEN: 10 a.m. – 2 p.m. ET
Tuesday, Jan. 27, 2009

WHERE: Marriott Wardman Park Hotel
2660 Woodley Road, NW
Washington, DC 20008

COMMENTS: Written comments should be submitted by
Friday, Jan. 23, 2009, to Todd Sells at
tsells@naic.org.

About the NAIC

Headquartered in Kansas City, Mo., 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's overriding objective is to assist state insurance regulators in protecting consumers and helping maintain the financial stability of the insurance industry by offering financial, actuarial, legal, computer, research, market conduct and economic expertise. Formed in 1871, the NAIC is the oldest association of state officials. For more than 135 years, state-based insurance supervision has served the needs of consumers, industry and the business of insurance at-large by ensuring hands-on, frontline protection for consumers, while providing insurers the uniform platforms and coordinated systems they need to compete effectively in an ever-changing marketplace. For more information, visit www.naic.org/press_home.htm.

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