



AMERICAN ACADEMY *of* ACTUARIES

June 6, 2013

Director John Huff, Chair
Solvency Modernization Initiative (E) Task Force
National Association of Insurance Commissioners
Via email: c/o kdefrain@naic.org

Re: NAIC white paper, *The U.S. National State-Based System of Insurance Financial Regulation and the Solvency Modernization Initiative*

On behalf of the American Academy of Actuaries'¹ Solvency Committee I appreciate this opportunity to provide comments on the April 1, 2013 draft white paper, *The U.S. National State-Based System of Insurance Financial Regulation and the Solvency Modernization Initiative*.

Several Academy committees including this one, provided prior, extensive comments² to an earlier draft of this paper. Upon review of the revised white paper, we believe the necessary, significant issues have been addressed. The revised report is well-organized, covers the important issues, and in our view accurately reflects US state-based regulation.

As a final suggestion, however, should it not have already been undertaken, before publishing the final white paper, we would recommend the NAIC compare this white paper to the content of the recently-released EU/US study to assure there are no material differences ascribed to practices in the U.S.

Sincerely,

R. Thomas Herget, FSA, CERA, MAAA
Chairperson, Solvency Committee
American Academy of Actuaries

¹ The American Academy of Actuaries is 17,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. The Academy assists public policy-makers on all levels by providing leadership, objective expertise and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice and professionalism standards for actuaries in the United States.

² Comment letter - Academy's Risk Management and Financial Reporting Council Solvency Committee, the Life Practice Council, the Property and Casualty Risk-Based Capital Committee, and the Health Practice Solvency Work Group
http://actuary.org/files/NAIC_SMI_White_Paper_response.pdf