

**UNITED STATES DEPARTMENT OF THE TREASURY
FEDERAL ADVISORY COMMITTEE ON INSURANCE
SUMMARY OF PUBLIC MEETING**

August 6, 2015

The Federal Advisory Committee on Insurance was convened at 1:00 P.M. on August 6, 2015, in the Cash Room at the U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, D.C., with Daniel Glaser, Chair, presiding.

In accordance with the provision of the Federal Advisory Committee Act, the meeting was open to the public.

Committee Members Present:

DANIEL GLASER, President and Chief Executive Officer, Marsh & McLennan Companies, Inc., *Chair*
DAVID (BIRNY) BIRNBAUM, Executive Director, Center for Economic Justice
ELIZABETH BROWN, Professor, Georgia State University
BRENDA CUDE, Professor, University of Georgia
JACQUELINE CUNNINGHAM, Commissioner, Virginia Bureau of Insurance
LORETTA FULLER, Chief Executive Officer and Chief Financial Officer, Insurance Solutions Associates
DAVID HERZOG, Executive Vice President and Chief Financial Officer, American International Group, Inc.
GEORGE KEISER, Representative, North Dakota House of Representatives
JAMES KELLEHER, Executive Vice President and Chief Legal Officer, Liberty Mutual Insurance
THEODORE MATHAS, Chairman, President, and Chief Executive Officer, New York Life Insurance Company (represented by proxy Joel Steinberg)
SEAN MCGOVERN, Chief Risk Officer & General Counsel, Lloyd's of London
JULIE MCPEAK, Commissioner, Tennessee Department of Commerce and Insurance
THEODORE NICKEL, Commissioner, Wisconsin Office of the Commissioner of Insurance

Also Present:

MICHAEL MCRAITH, Director, Federal Insurance Office, U.S. Department of the Treasury
BRETT HEWITT, Designated Federal Officer, Federal Insurance Office, U.S. Department of the Treasury
A. TOM FINNELL, Deputy Director, Regulatory Policy, Federal Insurance Office, U.S. Department of the Treasury
ROBERT KERZNER, President and Chief Executive Officer, LIMRA
RICHARD VICTOR, President and Chief Executive Officer, Workers' Compensation Research Institute

Introduction and New Business

Director McRaith welcomed the members of the Federal Advisory Committee on Insurance (FACI) and convened the meeting.

Update from the Affordability and Accessibility Subcommittee

Chairman Glaser then introduced Birny Birnbaum, Chair of the Affordability and Accessibility Subcommittee. Mr. Birnbaum provided a summary of a Subcommittee call which discussed the first of two parts of a report by the National Academy of Sciences on the affordability of national flood insurance premiums as well as recent activity related to price optimization and big data and insurance. Chairman Glaser, Director McRaith, Mr. Birnbaum, Representative Keiser, Mr. Kelleher, Commissioner McPeak, and Commissioner Nickel asked questions of Mr. Birnbaum.

Update from the Domestic Prudential Issues Subcommittee

Chairman Glaser then introduced Joel Steinberg, who served as a proxy for Ted Mathas. Mr. Steinberg provided a preview of an upcoming Subcommittee call regarding retirement security.

Developments in Workers' Compensation Insurance

Chairman Glaser then introduced the topic of workers' compensation. Dr. Richard Victor, President and CEO of the Workers' Compensation Research Institute, presented on recent trends in the workers' compensation market, as well as the effects of recent reform efforts in certain states. Members then asked questions of Dr. Victor, with contributions from Director McRaith, Commissioner Cunningham, and Mr. Kelleher.

The Committee then recessed for a short break.

Retirement Security

Following a fifteen minute break, Chairman Glaser introduced a discussion on retirement security. Bob Kerzner, President and CEO of LIMRA, presented and led a discussion on recent work done by LIMRA and developments in the retirement security market. Members asked questions of Mr. Kerzner and engaged in discussion about retirement security, with contributions from Director McRaith, Representative Keiser, Mr. Birnbaum, Professor Cude, and Mr. Steinberg.

FIO's Proposed Definition of Affordability of Personal Auto Insurance

Director McRaith then provided an update on the work of the Federal Insurance Office regarding monitoring affordability of personal auto insurance for underserved communities. Commissioner Nickel, Professor Cude, Mr. Kelleher, Ms. Fuller, and Representative Keiser all contributed to a discussion.

International Association of Insurance Supervisors

Chairman Glaser introduced Tom Finnell, Deputy Director of Regulatory Policy in the Federal Insurance Office, to present on the recently released International Association of Insurance Supervisors (IAIS) consultation document regarding higher loss absorbency capacity for global systemically important insurers. Following Mr. Finnell's presentation, Director McRaith provided additional updates on ongoing activities at the IAIS. Further contributions were made by Commissioner McPeak, Mr. Kelleher, and Mr. McGovern.

Certification of Minutes

Prior to the Committee adjourning, Chairman Glaser raised the one item of new business, certifying the minutes from the May 7, 2015 FACI meeting. The minutes were then certified.

Director McRaith thanked several former FACI members and those who assist in organizing the FACI meetings.

At 3:58 P.M., Chairman Glaser concluded the meeting.

I hereby certify these minutes of the August 6, 2015 Federal Advisory Committee on Insurance public meeting are true and correct to the best of my knowledge.



Daniel S. Glaser, FACI Chair