

**UNITED STATES DEPARTMENT OF THE TREASURY
FEDERAL ADVISORY COMMITTEE ON INSURANCE
SUMMARY OF PUBLIC MEETING
February 10, 2015**

The Federal Advisory Committee on Insurance was convened at 1:00 P.M. on February 10, 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 (represented by proxy, Donald Beatty)

JOHN FRANCHINI, Superintendent, New Mexico Office of the Superintendent of Insurance

LORETTA FULLER, Chief Executive Officer and Chief Financial Officer, Insurance Solutions Associates*

MARK GRIER, Vice Chairman, Prudential Financial, Inc. (represented by proxy, Christine Marcks)

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

SCOTT KIPPER, Commissioner, Nevada Division of Insurance*

BENJAMIN LAWSKY, Superintendent, New York Department of Financial Services

SEAN MCGOVERN, Chief Risk Officer & General Counsel, Lloyd's of London

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

SARAH BLOOM RASKIN, Deputy Secretary of the Treasury, U.S. Department of the Treasury

BRUCE SAUL, Federal Insurance Office, U.S. Department of the Treasury

MARK IWRY, Senior Advisory to the Secretary of the Treasury, and Deputy Assistant Secretary for Retirement and Health Policy, U.S. Department of the Treasury

ALANE DENT, American Council of Life Insurers

JIM SZOSTEK, American Council of Life Insurers

GUS FULDNER, Uber Technologies

*Participating via teleconference

Introduction and New Business

Director McRaith welcomed the members of the Federal Advisory Committee on Insurance (FACI) and convened the meeting. Director McRaith then raised the only item of new business, certifying the minutes from the November 10, 2014 FACI meeting. The minutes were certified.

Update from Affordability and Accessibility Subcommittee

Chairman Glaser introduced Birny Birnbaum, Chair of the Affordability and Accessibility Subcommittee. Mr. Birnbaum provided a summary of a subcommittee call with representatives from the Federal Emergency Management Agency (FEMA). On this call, the Subcommittee heard an update on the Affordability of National Flood Insurance Program Premiums, being completed by the National Academy of Sciences, as required by the Biggert-Waters Flood Insurance Reform Act of 2012, and the establishment of the Office of the Flood Insurance Advocate required by the Homeowner Flood Insurance Affordability Act of 2014. The members then engaged in a discussion about the National Flood Insurance Program, with contributions from Director McRaith, Mr. Birnbaum, Representative Keiser, and Commissioner Nickel.

Retirement Security

Chairman Glaser then introduced the topic of retirement security, and recognized Bruce Saul of the Federal Insurance Office (FIO). Mr. Saul provided introductory remarks and introduced Mark Iwry of the U.S. Department of the Treasury (Treasury). Mr. Iwry discussed the retirement security related work of Treasury and the Administration as a whole. Members then asked questions of Mr. Iwry, with contributions from Chairman Glaser, Superintendent Lawskey, Representative Keiser, Mr. McGovern, Commissioner Nickel, Mr. Birnbaum, and Ms. Marcks.

Commissioner Nickel, Chair of the National Association of Insurance Commissioners' (NAIC) Contingent Deferred Annuities Working Group then presented on the issue of retirement security from the perspective of state insurance regulators and led a discussion regarding this topic, with contributions from Superintendent Lawskey, Mr. Herzog, and Mr. Birnbaum.

Chairman Glaser then introduced Professor Brown of Georgia State University to present on her ongoing research regarding retirement security, specifically the annuity puzzle. Members asked Professor Brown questions and engaged in a discussion on the topic of the annuity puzzle, with contributions from Chairman Glaser, Superintendent Franchini, Ms. Marcks, and Representative Keiser.

Jim Szostek and Alane Dent from the American Council of Life Insurers (ACLI) presented on the issue of retirement security from the perspective of the life insurance and retirement security industry. Following the presentation, members engaged in a discussion regarding the ACLI's presentation, with contributions from Director McRaith, Mr. Birnbaum, and Representative Keiser.

Professor Cude concluded the Committee's discussion of retirement security with a presentation on the role of financial literacy regarding retirement security. Following Professor Cude's presentation, Members engaged in a discussion of financial literacy, with contributions from Director McRaith, Mr. Kelleher, and Mr. Birnbaum.

The Committee then recessed for a short break.

Cyber Insurance

Following a fifteen minute break, Chairman Glaser introduced Deputy Secretary Sarah Bloom Raskin. Deputy Secretary Raskin thanked the Members for their service, and spoke on the topic of cyber security in the insurance sector and the financial sector at large. Members then briefly engaged in a discussion the topic of cybersecurity, with contributions from Superintendent Franchini and Superintendent Lawsky.

Evolving Issues Related to Ride-Sharing Companies

Chairman Glaser explained that ride-sharing companies have given rise to evolving insurance issues, and introduced Gus Fuldner of Uber to present on Uber's policies regarding insurance and driver education. Following Mr. Fuldner's presentation, Members engaged in a discussion, with contributions from Director McRaith, Superintendent Franchini, and Ms. Fuller.

Terrorism Risk Insurance Program

Before concluding the meeting, Chairman Glaser briefly led a discussion on the recent reauthorization of the Terrorism Risk Insurance Act (TRIA) and the impact of the implementation of reforms on the industry. Mr. Herzog, Mr. McGovern, and Director McRaith contributed to the discussion.

At 4:38 P.M., Chairman Glaser concluded the meeting.

I hereby certify these minutes of the February 10, 2015 Federal Advisory Committee on Insurance public meeting are true and correct to the best of my knowledge.



Daniel S. Glaser, FOCI Chair