

Testimony of
Superintendent Eric A. Cioppa
Maine Bureau of Insurance
On Behalf of the National Association of Insurance
Commissioners

Before the
U.S. Senate Committee on Banking, Housing & Urban Affairs

Regarding:
Developments in Global Insurance Regulatory and Supervisory
Forums

Chairman Crapo, Ranking Member Brown, and members of the committee. My name is Eric Cioppa and I am the Superintendent for the Maine Bureau of Insurance and the President of the National Association of Insurance Commissioners (NAIC).¹ I am also the state insurance regulator representative to the Financial Stability Oversight Council (FSOC) and a member of the IAIS's Policy Development Committee. I am pleased to be here testifying alongside my Team USA colleagues.

The U.S. insurance market is the single largest and most competitive in the world, with state insurance regulators supervising more than one third of global premium, and taken individually, U.S. states make up more than half of the 50 largest i4 Tw -4.72 -2.16 Td [(T)1 (he)4 (w 0.32 0 Td [(j 0.2

milestone in November as it is expected that the ICS will move into a 5-year monitoring period.² It is anticipated that final adoption of the ICS will take place at the conclusion of the monitoring

path forward for U.S. policyholders and market participants, while remaining consistent with the underlying purpose of the ICS.

Holistic Frame

The development of the Holistic Framework is ongoing, and we continue to carefully monitor how the proposals will move from concept to reality to ensure they do not go beyond the intended scope of insurers that are engaged in potentially systemically risky activities. The IAIS has been refining the framework this year based on input from members and stakeholders, and new policy measures will be up for adoption at the IAIS Annual General Meeting in November.

IAIS Strategic Plan and Transparency

Turning to IAIS more broadly, in June, the IAIS approved its 2020-2024 Strategic Plan that lays out a new strategic direction that we generally support. While the post-crisis policy work on systemic risk and group capital which has been the focus of the current plan is important, it has also taken up a large amount of IAIS time, resources and attention. In the meantime, new issues and risks have and will continue to emerge. This new strategic plan better balances the work of the IAIS, makes it more forward looking and puts more emphasis on supporting its membership of insurance supervisors around the globe. Many of the priorities the IAIS has identified are issues that the NAIC is actively engaged and making progress on as well: expanding our macroprudential surveillance toolkit; examining and addressing the impact of innovation and technology on the consumers, industry, and regulators; cybersecurity; data privacy; and climate risk and resilience. We look forward to contributing our knowledge, expertise and leadership on these important issues.

Additionally, we continue to believe that critical to the credibility of the standard setting activities at the IAIS is an inclusive and transparent decision-making process. We are pleased to see the