

**Meeting Between Staff of the Federal Reserve, State Insurance Departments, and the
National Association of Insurance Commissioners
September 20, 2017**

Participants: Thomas Sullivan, Linda Duzick, Matti Peltonen, Jay Muska, Matt Walker, and Suyash Paliwal (Federal Reserve Board); Sanders Shaffer (Federal Reserve Bank of Boston)

David Altmaier, Ray Spudeck, Kathy Belfi, John Loughran, Philip Barlow, Justin Schrader, Elizabeth Hofker, David Wolf, Doug Slape, Jamie Walker, Mike Boerner, Shawn Frederick, Mike Arendall, Ludi Skinner, Chris Nwoke, and Amy Garcia (State insurance departments)

Julie Garber, Dan Daveline, Lou Felice, and Ned Tyrrell (National Association of Insurance Commissioners)

Summary: Staff of the Federal Reserve Board and the Federal Reserve Bank of Boston met with Commissioners and staff of State insurance departments and the National Association of Insurance Commissioners (NAIC) to discuss elements of the Federal Reserve's advance notice of proposed rulemaking (ANPR) on Capital Requirements for Supervised Institutions Significantly Engaged in Insurance Activities and the NAIC's potential group capital calculation (GCC). The discussion explored areas of commonality between two capital frameworks under development, the NAIC's potential GCC and the Federal Reserve's proposed Building Block Approach (BBA) as set out in the Board's ANPR. Staff from the Federal Reserve, State insurance departments, and the NAIC exchanged thoughts on aspects of the GCC and BBA including (i) legal parameters for the BBA; (ii) fraternal insurers, title insurers, and captives; (iii) inventorying and grouping of legal entities; (iv) adjustments to legal entity capital requirements and resources; and (v) scalars used in aligning regimes in an aggregation-based capital framework. NAIC staff also discussed fraternal insurance risk-based capital requirements relative to life insurance and title insurance capital requirements under State laws.

Staff from the Federal Reserve, State insurance departments, and NAIC agreed to continue discussions.