

**Meeting Between Staff of the Federal Reserve, State Insurance Departments, and the
National Association of Insurance Commissioners
December 19, 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)

Ray Spudeck, Kathy Belfi, Philip Barlow, Justin Schrader, Elizabeth Hofker, Peter Hartt, Kristine Maurer, David Wolf, and Doug Slape (State insurance departments)

Julie Garber, Lou Felice, Ramon Calderon, 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) coordination between the GCC, BBA, and field testing of aggregation approaches in the Insurance Capital Standard being developed at the International Association of Insurance Supervisors; (ii) approaches and required information for scaling between capital regimes; (iii) adjustments including treatment of permitted and prescribed practices and captive insurance companies; (iv) treatment of non-insurance financial and non-financial entities; and (v) the NAIC's data collection exercise.

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