

**FOR IMMEDIATE RELEASE**

## NAIC TO HOLD PUBLIC HEARING ON CREDIT RATING AGENCIES

**WASHINGTON, D.C. (Sept. 9, 2009)** — The National Association of Insurance Commissioners (NAIC) will hold a public hearing on September 24 to discuss the past and future roles of Nationally Recognized Statistical Ratings Organizations (NRSRO). The hearing will examine the role of these credit rating agencies in the insurance regulatory system and what changes may be needed in light of the financial crisis. Representatives of credit rating agencies, insurance companies and pension funds will be invited to testify, as will regulators, consumer representatives, leading academics and industry experts.

Insurance companies hold nearly \$3 trillion in rated bonds and the insurance industry constitutes the largest sector of the financial services industry to rely on credit ratings to supervise capital asset adequacy. Insurance regulators currently mandate the use of credit ratings to determine capital reserves and other regulatory requirements for insurance companies.

In February this year, the NAIC created a Rating Agency (E) Working Group charged with conducting a comprehensive evaluation of the reliance on NRSRO ratings by state insurance regulators and the NAIC, the insurance industry and the insurance marketplace. The Working Group, co-chaired by Acting New York Insurance Superintendent James J. Wrynn and Illinois Insurance Director Michael T. McRaith, will hold this hearing as part of that evaluation process.

During the hearing, the Working Group will gather information from panels addressing:

- The historical reliance of insurance regulators on ratings and the impact of this reliance;
- Issues concerning ratings, particularly related to structured securities and municipal bonds;
- Recent systemic remedies or procedural changes enacted by NRSROs;
- Recommendations and alternatives to NRSROs for prudential regulation.

Following the hearing, the Working Group will develop and present a final report documenting the findings and any recommendations for corrective action available to the NAIC and its members, as well as recommendations to the federal government on NRSRO regulation.



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The public hearing will take place during the NAIC Fall National Meeting on September 24, from 8:30 a.m. – 5:00 p.m. ET at the Gaylord Convention Center in National Harbor, MD.

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## About the NAIC

Formed in 1871, the National Association of Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. The NAIC has three offices: Executive Office, Washington, D.C.; Central Office, Kansas City, Mo.; and Securities Valuation Office, New York City. The NAIC serves the needs of consumers and the industry, with an overriding objective of supporting state insurance regulators as they protect consumers and maintain the financial stability of the insurance marketplace. For more information, visit [www.naic.org](http://www.naic.org).

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