

**Joint National Association of Insurance Commissioners (NAIC) –  
Financial Services Agency of Japan (FSA) Statement**

Following the inaugural National Association of Insurance Commissioners (NAIC) - Financial Services Agency of Japan (FSA) Insurance Regulatory Dialogue in Tokyo, Japan on March 13, 2014, the regulators of the two largest insurance markets in the world – the FSA and the NAIC (jointly the “Authorities”) –reached an agreement to strengthen their alliance.

With the increasing intensity of cross-border insurance business in both Japan and the United States, there is a need for increased mutual cooperation between the relevant supervisory authorities to better coordinate the supervision of cross-border insurance groups. The Dialogue represents a major initiative to further develop and enhance the mutual understanding of - and confidence in - their respective regulatory frameworks. Representatives of the Authorities intend to meet periodically, to update each other on insurance-specific regulatory approaches and to discuss regulatory best-practices that are appropriate to attain supervisory objectives while respecting the diversity of jurisdictional authorities.

The Authorities committed to working together both domestically and internationally, to advance policies that protect consumers, support stable insurance markets and encourage economic growth and innovation. Furthermore, the Authorities agreed to work constructively in relation to the ongoing work of the International Association of Insurance Supervisors (IAIS). In particular the Authorities will intensify their cooperation during the development of a risk-based global insurance capital standard (ICS) for internationally active insurance groups (IAIGs), as well as straightforward, basic capital requirements (BCR) and higher loss absorbency (HLA) requirements for global systemically important insurers (G-SIIs) with a view to achieving high quality results.

The Authorities cautioned against any unintended consequences of proposed standards that could impact the ability and willingness of long term insurers to provide guarantee business to retirees in ageing populations. Consequently, the Authorities agreed to coordinate their positions, as appropriate, at the IAIS in order to preserve appropriate incentives for this vital business.

The Authorities decided to hold the second round of the NAIC-FSA Insurance Regulatory Dialogue in the U.S. in the fall.