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Michigan Joins International Information Exchange Agreement

Agreement Strengthens International Supervisory Cooperation, Promotes Enhanced Consumer Protection

Basel – Felix Hufeld, Chair of the Executive Committee of the International Association of Insurance Supervisors (IAIS), today announced that the insurance supervisor of Michigan has joined an international supervisory cooperation and information exchange agreement. There are now 45 jurisdictions admitted as signatories to the IAIS Multilateral Memorandum of Understanding (MMoU), representing more than 62% of worldwide premium volume.

“Michigan is pleased to announce that it is the seventh U.S. state to be added as a signatory to the IAIS MMoU,” said Director of the Department of Insurance and Financial Services (DIFS), Annette E. Flood. “We have a significant and growing number of companies that are operating in the international insurance market. This Agreement strengthens our ability to monitor the safety and soundness of internationally operated insurance companies for the benefit of Michigan consumers.”

The MMoU is a global framework for cooperation and information exchange among insurance supervisors. It sets minimum standards to which signatories must adhere, and all applicants are subject to review and approval by an independent team of IAIS Members. Through membership in the MMoU, supervisors are able to exchange relevant information with and provide assistance to other signatories, thereby promoting the financial stability and sound supervision of cross-border insurance operations for the benefit and protection of consumers.

“We are glad to welcome Michigan as a signatory to the MMoU,” said Mr Hufeld. “In order to achieve our ultimate goal of policyholder protection within the global insurance marketplace, an insurance supervisor needs the ability to cooperate quickly and effectively. The MMoU is an essential regulatory tool – not only in crisis situations, but on a day-to-day basis – for supervisors to foster safer and more stable insurance markets, and the IAIS encourages each of its Members to become a MMoU signatory.”

Current MMoU signatories include, among others, Australia, Austria, Bermuda, Canada, Chile, California (USA), Connecticut (USA), Chinese Taipei, France, Germany, Hong Kong, Japan, the Netherlands, Pennsylvania (USA), Qatar, Singapore, Switzerland, the United Kingdom and Virginia (USA). A complete list of signatories and a copy of the MMoU can be found on the IAIS website (www.iaisweb.org).

More information

DIFS provides a business climate that promotes economic growth while ensuring that the insurance and financial services industries are safe, sound, and entitled to public confidence. The Department provides consumer protection, outreach, and education services to Michigan citizens and regulates a variety of individual licensees and entities, including HMOs, domestic and foreign insurers, insurance producers and agencies, banks, credit unions, mortgage licensees and registrants, deferred presentment companies, and other consumer finance-related entities.

The IAIS is a global standard-setting body whose objectives are to promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders; and to contribute to global financial stability. Its membership includes insurance regulators and supervisors from more than 200 jurisdictions in nearly 140 countries. For more information, please visit www.iaisweb.org.

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