

2009 Fall National Meeting
Washington, DC

**RATING AGENCY (E) WORKING GROUP HEARING
ROLE OF RATING AGENCIES IN STATE INSURANCE REGULATION
Thursday, September 24, 2009
8:30 a.m. – 4:00 p.m.
Gaylord Convention Center—Maryland Ballroom D—Ballroom Level**

ROLL CALL

Michael T. McRaith Illinois Insurance Director	Illinois, Co-Chair
Kevin Fry James J. Wrynn New York State Insurance Superintendent	New York, Co-Chair
Hampton Finer Louis Quan & Kim Hudson	California
Tom R. Sullivan Connecticut Insurance Commissioner	Connecticut
Kathy Belfi Belinda Miller	Florida
Neil N. Jasey New Jersey Insurance Commissioner	New Jersey
Robert Kasinow Scott Richardson South Carolina Commissioner	South Carolina
Van Tompkins Sean Dilweg Wisconsin Insurance Commissioner	Virginia Wisconsin
Kimberly Shaul	

AGENDA

Panel 1: Use of Ratings in State Insurance Regulation **8:30 – 10:00 a.m.**

State insurance regulators are responsible for ensuring solvency of the regulated insurance companies. As part of this process, the NAIC and the states use ratings to determine the risk-based capital charge for rated bonds, as well as setting many limits for insurance company risk exposures. How did that system evolve, and how well does it work today?

Participants

Chris Evangel

Managing Director
NAIC Securities Valuation Office

Nancy Bennett, FSA, CERA, MAAA

Senior Life Fellow
American Academy of Actuaries

Michael Moriarty

Deputy Superintendent
New York State Insurance Department

Eric Steigerwalt

Senior Vice President and CFO
Metropolitan Life Insurance Company

Birny Birnbaum

Center for Economic Justice

Break

10:00 – 10:30 a.m.

Panel 2: Rating Agencies – What Happened?

10:30 a.m. – 1 p.m.

Investors rely on credit ratings to be a forward-looking reflection of risk. Did those ratings fulfill investor expectations? Looking back, in what ways could the rating agencies have fulfilled those expectations better? Have rating agencies changed their approach in response to the economic crisis, in particular, when rating structured securities? If so, in what way? Should there be other changes? Should ratings be comparable, signifying an equal probability of loss across corporate, structured and municipal securities?

Participants

David Teicher

Managing Director
Moody's

Grace Osborn

Managing Director, North American Head of Insurance Ratings
Standard & Poor's

Keith Buckley

Group Managing Director, Head of Insurance Group

John Olert

Group Managing Director, Head of ABS and Structured Credit Group
Fitch Ratings

Mary Keogh

Managing Director
DBRS Limited

Josh Rosner

Managing Director
Graham Fisher & Co.

Jerome Fons

Principal
Fons Risk Solutions

David P. Marks

Executive Vice President and Chief Investment Officer
CUNA Mutual Group

Lunch Break and Media Availability

1:00 – 2:00 p.m.

Panel 3: Recommendations and Alternatives to How the NAIC Uses Ratings

2:00 – 4:00 p.m.

The economic crisis has resulted in steep rating downgrades and drops in asset values. Is the current ratings model adequate in measuring risk, especially the risk of structured securities? Are there better alternatives for measuring risk of fixed-income securities than credit ratings?

Participants

Mani Sabapathi, CFA

Principal, Structured Product Research
Prudential Insurance

Rod Dubitsky

Executive Vice President
PIMCO Advisory

Robert Dobilas

President and CEO
Realpoint LLC

Matt Richardson

Charles E. Simon Professor of Financial Economics, Director, Salomon Center
New York University

Heather Brilliant, CFA

Director of Stock Analysis
Morningstar, Inc.

AGENDA (cont'd.)

Panel 3: Recommendations and Alternatives to how the NAIC uses ratings (cont'd.)

Michael Macchiaroli

Associate Director of the Division of Trading and Markets
U.S. Securities and Exchange Commission

The Rating Agency (E) Working Group is soliciting input on all topics and discussions taking place in this hearing. Individuals wishing to provide written testimony to the Working Group should submit such comments to Dan Daveline (NAIC), ddavelin@naic.org, by close of business Oct. 26 to be included in the record of the Working Group.

Jim Wrynn's Opening Statements As Co-Chair of the Rating Agency Working Group

- Good morning. Welcome to the Rating Agency Working Group Public Hearing on Credit Ratings and Insurance Regulation.
- My name is Jim Wrynn and I am the Superintendent of the New York State Insurance Department. Let me start out by thanking all of you for participating in this important project today.
- As most of you know, state insurance regulators are responsible for ensuring solvency of the regulated insurance companies. As part of this process, the NAIC and the states use ratings to determine the risk-based capital charge for rated bonds, as well as setting limits on insurance company investment risk exposures. It is imperative, therefore, that we all have confidence in the rating process.
- The economic crisis has resulted in steep rating downgrades and drops in asset values, causing us as regulators to ask ourselves if the traditional ratings model adequately measure risk, especially the risk of structured securities.
- The US Treasury, the G-20 and even the ratings' agencies themselves have recently questioned the reliance on credit ratings of regulators around the world. We must now ask ourselves whether, to what extent and in what manner we should keep relying on ratings from the credit rating agencies.
- We have broken today's hearing into three panels.
- Our first panel will help us explore the history and the traditional role of ratings in insurance regulation.
- The second panel will explore what went wrong during the financial crisis with credit ratings, what changes credit rating agencies have made in response, and what still needs to be done to correct it.
- Lastly, we'll discuss recommendations and alternatives to the traditional ratings system.
- Before we begin, please allow me to introduce the distinguished regulators at the table with me today who will be asking questions of all our panelists.
- First, let me introduce my co-chair and moderator of today's hearing, Director Mike McRaith of Illinois.
- Regulators from other states, and we'll list them in alphabetical order of the state are:
 - From Connecticut, Commissioner Tom Sullivan and Kathy Belfi
 - From Florida, Belinda Miller
 - From New Jersey, Robert Kasinow
 - From Virginia, Van Tompkins

- From Wisconsin, Commissioner Sean Dilweg and Kimberly Shaul
- And also with us, Kevin Fry of Illinois and Hampton Finer of New York
- And with that, let me turn this over to Director McRaith to introduce the panel and begin the questioning

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BIOGRAPHIES

PANEL 1: USE OF RATINGS IN STATE INSURANCE REGULATION

CHRIS EVANGEL
Managing Director
NAIC Securities Valuation Office

For the past decade, Chris Evangel has served as managing director of the NAIC Securities Valuation Office (SVO) in New York City. He oversees the entire SVO operation, including credit quality function, office administration, financial operations and the staff management of 50 employees. Evangel also serves as senior chair of the SVO Credit Committee.

Prior to joining the NAIC, Evangel was a senior vice president with Moody's Investors Service for nearly 15 years. While at Moody's, he served as a senior chairperson of the Moody's Rating Committee and headed several of Moody's regional credit groups. Prior to joining Moody's, Evangel was with the federal Office of Management and Budget (OMB) during the early 1980s and held oversight responsibilities for several bureaus of the U.S. Department of the Treasury and the U.S. Federal Emergency Management Agency (FEMA). Evangel also held the inaugural position as the operating budget manager for the New Jersey Transit Corporation (the state's mass transit agency.) Upon completing his graduate work, Evangel was selected as a presidential management intern and worked with the National Aeronautics and Space Administration (NASA) at the Kennedy Space Center in Florida.

Evangel earned a master in public administration (MPA) degree from Harvard University's John F. Kennedy School of Government and a bachelor's degree from Rutgers University.

NANCY BENNETT, FSA, CERA, MAAA
Senior Life Fellow
American Academy of Actuaries

Nancy Bennett is the senior life fellow for the American Academy of Actuaries. Bennett is responsible for helping communicate the Academy's message on life actuarial issues to the public and to public policymakers. Bennett interacts directly with federal and state regulatory and legislative officials, other public policy and trade organizations, and the news media on life insurance topics.

From 2005 to 2008, Bennett was employed by Ameriprise Financial, most recently as vice president and head of enterprise risk management. Bennett led the effort to implement Ameriprise's enterprise risk management processes. Ms. Bennett also had responsibility for several key risk management systems, including the company's corporate modeling system (MoSes). In addition, Ms. Bennett manages the company's interest rate risk (ALM). Previously, Ms. Bennett was responsible for managing Ameriprise's equity risks associated with variable annuities.

From 1999 to 2005, Bennett was a consulting actuary at Milliman, Inc., and Aon. Her consulting practice focused on financial risk management, including asset liability management, investment strategy development, corporate modeling, risk management and financial performance assessment. Bennett managed consulting engagements involving corporate modeling, such as investment strategy analysis, performance measurement, strategic projections, embedded value analysis, appraisals, enterprise-wide financial analysis, cash-flow testing and profitability analysis based on transfer pricing. Bennett assisted companies in enhancing their financial management infrastructure by integrating their investment management, ALM and risk management, financial reporting, pricing, modeling and strategic planning processes.

Before that, Bennett was employed by Minnesota Mutual for 18 years. Following eight years in individual life product development and division management, Bennett built the company's Corporate Actuarial Department and was the company's appointed actuary. Bennett's responsibilities included cash-flow testing, strategic planning, capital budgeting and financial forecasting, the coordination of investment policy and product design, and the analysis of portfolio performance and interest rate risk. Bennett was responsible for overseeing the integration of financial management functions among all the Company's divisions. Bennett communicated with various groups including the company's Board of Trustees and rating agencies.

Bennett is a frequent speaker at industry conferences, the Society of Actuaries (SOA) and NAIC meetings. Bennett is a member of the American Academy of Actuaries (AAA) Life Practice Council, chair of the AAA Life Capital Adequacy Subcommittee, chair of the AAA Stochastic Modeling Group, chair of the AAA Economic Scenario Implementation Work Group, chair of the AAA Invested Asset Work Group and a member of several other AAA groups, including the Principle-Based Approaches Steering Committee, Risk Management & Solvency Committee, Financial Regulatory Reform Task Force, Public Interest Committee and Federal Agenda Task Force. Bennett was elected to the SOA Investment Council for the 2004–2007 term. Bennett also has been involved with organizing seminars for the SOA, including serving as chairperson of the 2006 and 2007 SOA Investment Symposium.

Bennett earned a bachelor's degree in mathematics and economics from the University of Northern Iowa. She has been a fellow in the SOA since 1988, a member of the AAA since 1989 and a chartered enterprise risk analyst since 2008.

MICHAEL MORIARTY
Deputy Superintendent
New York State Insurance Department

Michael Moriarty is the deputy superintendent for property and capital markets, with responsibilities that include overseeing the licensing, examination and regulation of all property/casualty insurers and related entities, as well as oversight of the capital markets and risk-management activities of insurance companies. Deputy Superintendent Moriarty also oversees the regulation of captive insurance companies in New York. As deputy superintendent, he has played an integral role in issues arising from the financial crisis, including the restructuring of bond insurers and American International Group (AIG).

Deputy Superintendent Moriarty began his career at the department in 1979, after earning a bachelor's degree in accounting from the City University of New York. Since then, he has served in a number of positions, most recently as director of the department's Capital Markets Bureau. The Capital Markets Bureau has been operational since 2000 and oversees the capital markets and risk-management activities of New York-licensed insurers.

He has worked on the development of new initiatives to enhance the financial solvency oversight of licensed insurers in New York, including accelerating the trend toward reliance on risk-based analyses/examinations and coordinating the department's policy on investments, derivatives and insurance securitization. Prior to that, Deputy Superintendent Moriarty served as the assistant chief examiner of the Property Bureau. In that position, he coordinated the financial analysis of the property/casualty industry in New York.

Deputy Superintendent Moriarty actively participates in task forces and working groups of the NAIC. He represented New York as chair of the Risk Assessment Working Group, which developed the national risk-focused approach to financial solvency regulation, and as chair of the Valuation of Securities Task Force, which establishes policy on the regulation of insurance industry investments. Deputy Superintendent Moriarty was the 2005 recipient of the NAIC Robert Dineen Award for outstanding service and contribution to the state regulation of insurance, the most prestigious honor bestowed by the NAIC to an individual.

ERIC STEIGERWALT
Senior Vice President and Chief Financial Officer
Metropolitan Life Insurance Company

Eric Steigerwalt is senior vice president and chief financial officer for the U.S. business organization at MetLife. Appointed to this position in August 2009, Steigerwalt is responsible for the financial management of MetLife's domestic protection, retirement, corporate benefit and auto & home businesses.

Prior to his current role, Steigerwalt was MetLife's treasurer since April 2007. He was responsible for managing the company's liquidity and capital positions, risk-based capital analysis, capital planning, cash management and investor and rating agency relations.

From 2003 to 2007, Steigerwalt was chief financial officer for MetLife's individual business. In this role, he had responsibility for the division's financial plan, earnings analysis, pricing oversight, expense management, distribution finance and financial projections.

Previously, Steigerwalt was vice president, investor relations, and was heavily involved in the company's initial public offering in 2000. Prior to MetLife's IPO, he managed many of the operational aspects of MetLife's demutualization and coordinated financial management initiatives in preparation for public company financial reporting.

Before joining MetLife, Steigerwalt was vice president of investor relations at the Equitable Companies. In this position, he was responsible for the company's interaction with the Wall Street community, including equity holders, debt holders and research analysts.

Steigerwalt began his career with Fossett Corporation in 1985. He was a derivatives firm trader in addition to his role as an options specialist on the New York and American Stock Exchanges.

Steigerwalt graduated *cum laude* from Drew University with a bachelor's degree in economics.

BIRNY BIRNBAUM
Consulting Economist
Center for Economic Justice

Birny Birnbaum is a consulting economist and former insurance regulator whose work focuses on community development, economic development and insurance issues. Birnbaum has served as an expert witness on a variety of economic and actuarial insurance issues in California, New York, Texas and other states. Birnbaum serves as an economic adviser to and executive director for the Center for Economic Justice (CEJ), a nonprofit organization whose mission is to advocate on behalf of low-income consumers on issues of availability, affordability and accessibility of basic goods and services, such as utilities, credit and insurance.

Birnbaum has authored reports on insurance markets, insurance credit scoring, insurance redlining, title insurance and credit insurance for CEJ and other organizations. He serves on the NAIC Consumer Board of Trustees. Birnbaum has been particularly active on issues involving credit and insurance availability, including credit insurance, insurance credit scoring and territorial rating. He has authored reports to numerous public agencies, including the California Department of Insurance, the Florida Insurance Commissioner's Task Force on Credit Scoring, the Ohio Civil Rights Commission and the cities of New York and Philadelphia. Birnbaum served for three years as associate commissioner for policy and research and as chief economist at the Texas Department of Insurance. At the department, Birnbaum provided technical and policy advice to the commissioner and performed policy research and analysis for the department. Birnbaum also was responsible for the review and approval of rate filings for auto, homeowners and credit insurance. Prior to joining the department, Birnbaum was chief economist at the Office of Public Insurance Counsel (OPIC), working on a variety of insurance issues. OPIC is a Texas state agency whose mission is to advocate on behalf of insurance consumers.

Prior to OPIC, Birnbaum was a consulting economist working on community and economic development projects. He also worked as business and financial analyst for the Port Authority of New York and New Jersey.

Birny earned a bachelor's degree from Bowdoin College and two master's degrees from the Massachusetts Institute of Technology (MIT), in Urban Management and Urban Planning with concentrations in finance and applied economics.

PANEL 2: RATING AGENCIES – WHAT HAPPENED?

DAVID TEICHER
Managing Director
Moody's

David Teicher directs a team of rating agency professionals who implement regulation at Moody's Investors Service. Previously, Teicher headed Moody's residential mortgage-backed securities (RMBS) team. Prior to that, Teicher was head of the collateralized debt obligation (CDO) surveillance team. He joined Moody's in 1996 as an analyst on the RMBS team and later moved to the derivatives group. Before coming to Moody's, Teicher practiced law in-house and in private practice. He earned a law degree and an MBA from the University of Chicago and earned a bachelor's degree in physics from Wesleyan University.

GRACE OSBORN
Managing Director
North American Head of Insurance Ratings
Standard & Poor's

Grace Osborne is a managing director in financial institutions ratings. As the lead analytical manager of North American insurance ratings, Osborne leads a team of 70 professionals who provide ratings and credit analysis on insurance and reinsurance companies and their related debt, health plans, insurance-linked securities and natural peril catastrophe bonds. Osborne joined Standard & Poor's in 1996 after 13 years in various financial reporting and planning roles in the life and property/casualty insurance industry. She also worked on the audit staff for Peat, Marwick, Mitchell (predecessor to KPMG Peat Marwick). Osborne graduated *summa cum laude* with a bachelor's degree in accounting from Fordham University and is a certified public accountant.

KEITH BUCKLEY
Group Managing Director
Head of Insurance Group
Fitch Ratings

Keith Buckley is group managing director of Fitch Ratings' global insurance rating group. The global insurance group includes 80 professionals who provide financial strength ratings for life/annuity, property/casualty, financial guaranty, health/HMO/managed care, title and mortgage insurers, fixed-income ratings for insurance holding company debt, hybrid securities, preferred stock and commercial paper programs, and ratings of insurance-linked securitizations. Buckley also is a member of Fitch's Corporate Finance Criteria Committee. He was a senior vice president and head of U.S. insurance for Duff & Phelps Credit Rating Co.'s insurance rating group prior to its merger with Fitch IBCA. Prior to joining the firm, Buckley served as director of financial analysis for Shand Morahan & Co., where his duties included security reviews of insurance and reinsurance companies, and rating agency presentations. He has been an insurance analyst since 1984. Keith earned a bachelor's degree in finance, with highest departmental distinction, from the University of Illinois and holds the chartered financial analyst designation. He is a member of the CFA Institute and CFA Society of Chicago.

JOHN OLERT
Group Managing Director
Head of ABS and Structured Credit Group
Fitch Ratings

John Olert is a group managing director and head of the U.S. asset-backed securities and structured credit group at Fitch Ratings. Olert led the updating of Fitch's criteria across structured credit in 2008, was co-head of Fitch's corporate finance

group for the Americas and has served as a member of Fitch's Credit Policy Board. Previously, Olert served as co-head of Fitch's North American financial institutions group, after leading Fitch's finance and leasing team and its efforts in rating U.S. real estate companies, real estate investment trusts and related transactions. Earlier, he analyzed and rated domestic money centers and regional and community banks. Before joining Fitch in 1995, Olert was a second vice president at Chase Securities Inc., where he handled credit analysis and approval for fixed-income counterparties. His earlier responsibilities included credit analysis and portfolio administration of domestic financial institutions at Chase Manhattan Bank. He also completed Chase's wholesale credit training program. Olert has completed Harvard Business School's Advanced Management Program, earned an MBA in finance from Fordham University, and earned a bachelor's degree in finance from the State University of New York at Geneseo's Jones School of Business.

MARY KEOGH
Managing Director
Global Regulatory Affairs
DBRS

As managing director, global regulatory affairs, Mary Keogh is responsible for leading global legislative and regulatory initiatives that impact DBRS. This includes obtaining and maintaining global regulatory approvals and recognitions and for relationship management with legislators, regulators, trade organizations and other policymakers in Canada, United States, Europe and other jurisdictions. Keogh also assists in ensuring DBRS' governance framework continually reflects regulatory requirements and best business practices to meet high standards of independence, integrity and transparency.

Before joining DBRS in November 2004, Keogh was a financial services advisor at PricewaterhouseCoopers in the areas of regulatory compliance, risk management and the federal Sarbanes-Oxley Act of 2002. Prior to that, Keogh spent 11 years at CIBC, one of Canada's leading banks, in a number of progressively senior roles — including vice president of the fixed-rated investment portfolio business, global regulatory compliance, operational risk management, corporate lending and management and financial reporting.

Keogh earned a bachelors degree in commerce (with honors) from the University of Toronto and is a chartered accountant in Canada. She also sits on the User Advisory Council for the Canadian Accounting Standards Board.

JOSH ROSNER
Managing Director
Graham Fisher & Co.

Joshua Rosner is managing director at independent research consultancy Graham Fisher & Co., where he advises regulators and institutional investors on housing and mortgage finance issues. Previously, he was managing director of financial services research for Medley Global Advisors and was an executive vice president at CIBC World Markets. Rosner was among the first analysts to identify operational and accounting problems at the government-sponsored enterprises and one of the earliest in identifying the peak in the housing market, the likelihood of contagion in credit markets and the weaknesses in the credit rating agencies' assumptions for collateralized debt obligations (CDOs).

Rosner's work on the government-sponsored housing enterprises, credit rating agencies and mortgage markets has resulted in invitations to present to the Forecasters Club of New York, Professional Risk Managers International Association, ABSummit Geneva, National Association of Business Economists, Financial Roundtable, American Enterprise Institute, American Real Estate and Urban Economics Association, Global Fixed Income Institute, CFA Institute, Hudson Institute, The New America Foundation, The Chicago Fed Annual Bank Structure Conference, The Institutional Investor Legal Forum and Fixed Income Forum. He regularly presents his research to leading global policy makers, legislators, central bankers and regulators. Rosner has authored several papers on housing, structured securities and rating agencies. He has been interviewed on PBS, CNBC, Bloomberg, NBC, CBS and is frequently quoted in other national news outlets.

JEROME FONS
Principal
Fons Risk Solutions

Jerome Fons, Ph.D., is principal of Fons Risk Solutions, a firm providing advisory services in the areas of measuring and pricing credit risk, developing statistical credit risk models, and Basel II implementation. Fons also advises asset managers on investment strategies with respect to rating agencies. Prior to starting his own firm in August 2007, Mr. Fons was the managing director of credit policy at Moody's Investor Service. He was chair of Moody's Fundamental Credit Committee, a member of Moody's Credit Policy Committee and a member of Moody's Country Risk Committee. Fons joined Moody's in 1990 as vice president/economist. At that time, he authored Moody's corporate bond default studies, served as the chief mortgage economist for the MBS group, developed a rating methodology for structured finance products, and assigned and monitored ratings for MBS.

DAVID P. MARKS
Executive Vice President and Chief Investment Officer
CUNA Mutual Group

David Marks is the chief investment officer for CUNA Mutual Group and CUNA Mutual Life Insurance Company. He also serves as the president and chief investment officer for MEMBERS Capital Advisors, the registered investment advisor affiliate of CUNA Mutual Group.

Marks came to CUNA Mutual Group in September 2005 from Citigroup Insurance Investments, where he was chief investment officer and senior executive vice president. While there, he led a staff of nearly 300 that tended \$55 billion in global assets under management.

Prior to his work with Citigroup, he was the chief investment officer for CIGNA Corporation, where he oversaw the management of \$44 billion in assets for insurance and third-party clients. Before that, he was a partner in buy-out firm Green Mountain Partners. From 1991 to 2001, he was president and chief investment officer for Allianz of America, where he managed \$25 billion in assets for Allianz's North American institutional clients and pension plan sponsors.

Marks earned a bachelor's degree and a master's degree from the University of Connecticut. He also earned an executive MBA from the Tuck Business School at Dartmouth College.

PANEL 3: RECOMMENDATIONS AND ALTERNATIVES TO HOW THE NAIC USES RATINGS

MANI SABAPATHI, CFA, FSA
Principal Structured Product Research
Prudential Insurance

Mani Sabapathi is principal in Prudential Fixed Income Management's Structured Product Research Team, responsible for a portfolio of subprime home equity and non-agency securities. He has been investing in ABS securities since 1998, prior to which he worked in various areas in Prudential under a management development program for four years. Sabapathi serves on the board of directors of the American Securitization Forum, representing investor interests. In April 2008, Sabapathi was nominated for "Investor of the Year" by *Total Securitization & Credit Investment* magazine, a division of *Institutional Investor*, for being a "tireless and outspoken advocate for investor interests through the American Securitization Forum and other venues." In addition to being invited to speak at industry conferences, Sabapathi has been sought by policymakers (including the Financial Accounting Standards Board, Federal Deposit Insurance Corporation and U.S. Treasury Department) to provide feedback regarding investor views and the implications of policy actions on the securitization market. He earned a bachelor's degrees in systems engineering and finance, as well as a master's degree in computer science, from the University of Pennsylvania. He also is a chartered financial analyst (CFA) and a fellow of the Society of Actuaries.

ROD DUBITSKY
Executive Vice President
PIMCO Advisory

Rod Dubitsky is an executive vice president and global structured finance specialist at PIMCO Advisory. Prior to joining PIMCO in 2009, he was managing director and head of asset-backed securities research at Credit Suisse, where he helped create residential mortgage-backed securities (MBS) surveillance and analytics systems. He was ranked as a leading analyst in asset-backed securities by *Institutional Investor* magazine from 2002 through 2008. Dubitsky was previously a senior analyst focusing on MBS at Moody's Investors Service and an agency MBS portfolio manager at BankAmerica. Before that, he was chief investment officer of a savings and loan and also worked at the U.S. Office of Thrift Supervision during the savings and loan crisis. He has 22 years of investment experience and holds an MBA from the Fuqua School of Business at Duke University and a bachelor's degree from the State University of New York, Binghamton.

ROBERT DOBILAS
President and CEO
Realpoint LLC

Rob Dobilas is chief executive officer and president of Realpoint LLC. Dobilas is an active participant in regulatory- and industry-sponsored efforts focused on rating agency reform. Most recently, Rob participated in the U.S. Securities and Exchange Commission's "Roundtable on the Oversight of Credit Ratings Agencies," and testified at the hearing on "Approaches to Improving Credit Rating Agency Regulation" before the U.S. House of Representatives' Financial Services Committee Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises. Before becoming CEO of Realpoint, Dobilas was the managing director in charge of business development, technology and sales for Capmark Investments, formerly GMAC Institutional Advisors. During his tenure at Capmark, Dobilas created and managed the Realpoint division, which eventually became Realpoint LLC. Prior to joining GMAC in 2000, Dobilas was a senior associate in Donaldson, Lufkin & Jenrette's (DLJ) Real Estate Research Group. While at DLJ, Dobilas was responsible for analyzing and researching all types of real estate debt securities, including commercial mortgage-backed securities (CMBS) and real estate investment trust (REIT) debt. He also was instrumental in the development and implementation of new product lines, such as a small balance loan program and the introduction of environmental insurance to the CMBS industry. Prior to joining DLJ, Dobilas was an associate in the Real Estate Finance Group at Standard & Poor's. He was responsible for evaluating and structuring CMBS and developing proprietary software models for debt sizing, loss analysis, underwriting, collateral valuations and surveillance deal tracking. Dobilas earned a bachelor's degree in economics from Rutgers University and an MBA from Monmouth University.

MATTHEW RICHARDSON
Professor of Applied Financial Economics
Charles E. Simon Professor of Financial Economics, Director, Salmon Center
New York University

Matthew Richardson is the Charles E. Simon Professor of Applied Economics in the Finance Department at the Leonard N. Stern School of Business at New York University. He is the Sidney Homer Director of the Salomon Center, which is a leading financial research center. In addition, he is a research associate of the National Bureau of Economic Research.

Richardson teaches classes at the MBA, executive and doctorate level. His MBA classes cover the area of fixed income. He is serving, or has served, as associate editor for the *Review of Financial Studies*, *Journal of Finance* and *Journal of Financial and Quantitative Analysis*. He has published papers in a variety of academic journals, including, among others, *Journal of Finance*, *Journal of Financial Economics*, *Review of Financial Studies* and *American Economic Review*.

Richardson earned a bachelor's degree and a master's degree in economics concurrently at the University of California, Los Angeles. He earned a doctorate degree in finance from the Graduate School of Business at Stanford University.

HEATHER BRILLIANT, CFA
Director of Stock Analysis
Morningstar, Inc.

Heather Brilliant is the director of equity analysis at Morningstar, Inc. She returned to Morningstar in 2005 after having spent a year as a senior equity research analyst at Coghill Capital Management. Before originally joining Morningstar in 2003, she spent several years as a research associate covering European and Canadian equities at Driehaus Capital Management, and two years as a corporate finance analyst at Bank of America. Brilliant holds a bachelor's degree in economics from Northwestern University and an MBA from the University of Chicago Graduate School of Business. She also is a chartered financial analyst.

MICHAEL MACCHIAROLI
Associate Director
Division of Trading and Markets
United States Securities and Exchange Commission

Michael Macchiaroli is associate director, Office of Risk Management & Control, Division of Trading and Markets, U.S. Securities and Exchange Commission. He is responsible for the broker-dealer financial responsibility program, which deals with capital recordkeeping, reporting and customer-protection rules. Macchiaroli joined the SEC in 1970 and has worked in the Division of Trading and Markets since 1978. Macchiaroli is a graduate of St. Joseph's College in Philadelphia and Villanova College.

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Rating Agency (E) Working Group Hearing September 24, 2009 Panel 2: Rating Agencies ? What Happened? Investors rely on credit ratings to be a forward-looking reflection of risk. Did those ratings fulfill investor expectations? Looking back, in what ways could the rating agencies have fulfilled those expectations better? Have rating agencies changed their approach in response to the economic crisis, in particular, when rating structured securities? If so, in what way? Should there be other changes? Should ratings be comparable, signifying an equal probability of loss across corporate, structured and municipal securities? Click the active links below to view the presenter's material. *David Teicher * Managing Director Moody's *Grace Osborne * Managing Director, North American Head of Insurance Ratings Standard & Poor's *Keith Buckley * Group Managing Director, Head of Insurance Group *John Olert* Group Managing Director, Head of ABS and Structured Credit Group Fitch Ratings *Mary Keogh * Managing Director DBRS Limited *Josh Rosner* Managing Director Graham Fisher & Co. *Jerome Fons * Principal Fons Risk Solutions *David P. Marks * Executive Vice President and Chief Investment Officer CUNA Mutual Group

Rating Agency (E) Working Group Hearing September 24, 2009 Panel 3: Recommendations and Alternatives to How the NAIC Uses Ratings The economic crisis has resulted in steep rating downgrades and drops in asset values. Is the current ratings model adequate in measuring risk, especially the risk of structured securities? Are there better alternatives for measuring risk of fixed-income securities than credit ratings? Click the active links below to view the presenter's material. *Mani Sabapathi*, CFA Principal, Structured Product Research Prudential Insurance *Rod Dubitsky * Executive Vice President PIMCO Advisory *Robert Dobilas * President and CEO Realpoint LLC *Matt Richardson * Charles E. Simon Professor of Financial Economics, Director, Salomon Center New York University *Heather Brilliant*, CFA Director of Stock Analysis Morningstar, Inc. *Michael Macchiaroli* Associate Director of the Division of Trading and Markets U.S. Securities and Exchange Commission * *

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