



The Changing Landscape of Weather Derivatives Regulation

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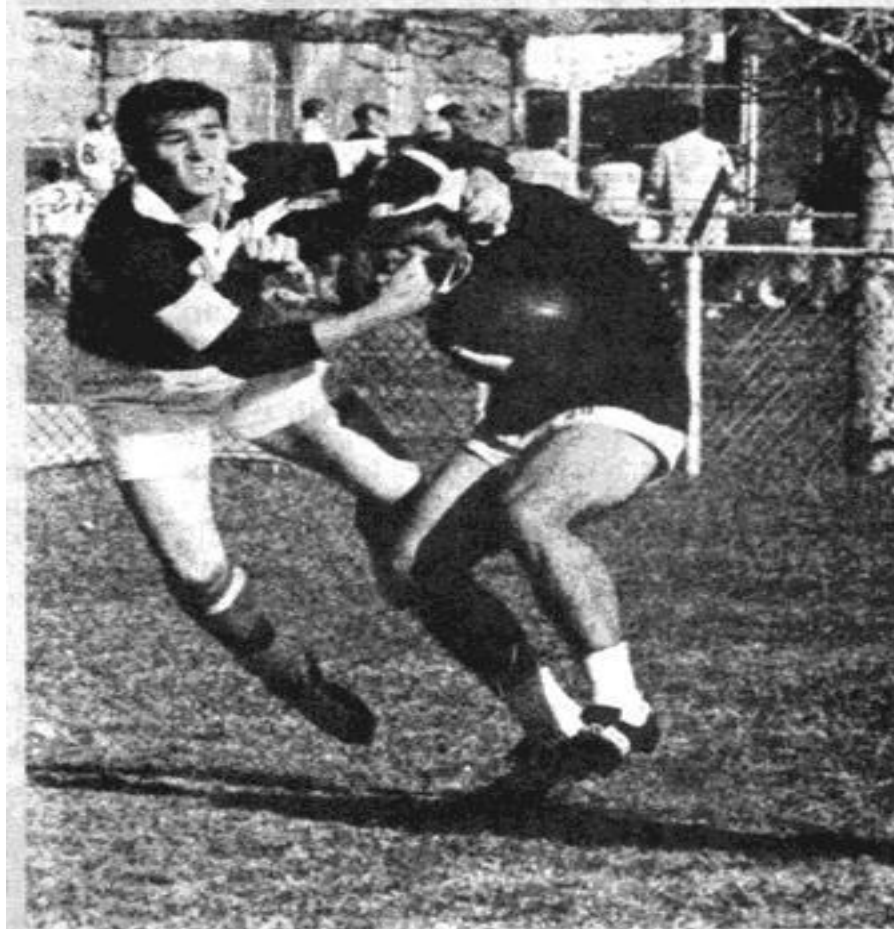
What you need to know



Why Waste a Good Crisis?



The Actions of Politicians Can Hurt!



George Bush delivers illegal, but gratifying right hook to opposing ball carrier.

Regulatory Initiatives

■ US

- Insurance
- Congressional initiatives
- Treasury framework

■ EU

- Credit Derivatives
- Commodities
- Hedge Funds

US - Insurance

- NY Insurance Dept Circular Letter No.19
- The Missouri Bulletin 08-12
- NCOIL

Congressional Initiatives

3 Legislative proposals

- Derivatives Trading Integrity Act
- Derivatives Market Transparency and Accountability Act
- Financial System Stabilisation and Reform Act

Broadly:

- Revoke CFMA 2000
- Impose reporting requirements
- Position limits
- OTC clearing

Treasury Framework (Geithner Plan)

6 point Framework

- Establishing framework for oversight of OTC derivatives market
- Unilateralist

Derivatives Framework

- Regulation of all OTC derivatives
- All OTC dealers posing a systemic threat to be subject to “strong” regime
- Standardised OTC derivatives to clear through CCPs
- Non-standardised OTC derivatives to be reported to trade repositories
- Aggregated trade and position data publicly available (individual data available to federal regulations)
- Market participant eligibility requirements enhanced

Impact on Weather Derivatives

- NCOIL vs Treasury Framework
- Exchange traded contracts
- Insurance interface
- Retail oriented products
- Collateralisation
- Transaction reporting
- Retail/wholesale boundary concerns
- Market manipulation and insider dealing

EU

- Response to Geithner proposals?
 - Mirror?
 - Bid up?
 - Internalise?
- Fortress Europe
- Commodities
- Distractions
- Future issues
 - Pharmaceutical Regulation?
 - Tobin tax?
 - Expansion of market manipulation legislation?

Remember - Its Not Always The Competition That Needs Watching



And Finally.....





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