



June 2, 2016

Robert deV. Frierson
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW.
Washington, DC 20551

Docket No. 1536
RIN No. 7100 AE-50

Request for Extension: Re-proposed joint rules implementing the incentive-based compensation requirements of the Dodd-Frank Act

Dear Mr. Frierson:

I am writing on behalf of the Insurance Coalition, a group of like-minded insurance companies, many of which are subject to Federal Reserve Board ("Board") supervision as savings and loan holding companies. As a group with several members subject to the joint rules implementing section 956 of the Dodd-Frank Wall Street Act (the "NPR"), we are requesting an extension of time to ensure that the rules are appropriately tailored to the business of insurance and reflect adequate data regarding insurance risks and compensation practices. Given the distinct insurance business model and significant implications for insurers subject to the rule, we are requesting an additional one hundred and twenty (120) days beyond the original comment deadline of July 22, 2016, to ensure that the rule reflects the best data and analysis possible.

As you know, many of the Insurance Coalition companies subject to the rule have been under Board supervision since 2011, and the Board has indicated in several ways its commitment to tailoring rules to the business of insurance. We appreciate this commitment and look forward to continued dialogue on the importance of tailoring regulation to insurance. However, we believe that the NPR is not tailored to insurance and does not currently reflect an analysis of the unique risks in insurance and insurance compensation practices. For example, neither the 2010 Large Banking Organization Horizontal Review nor the Financial Stability Board or Basel Committee Guidance cited in the Preamble includes specific consideration of insurance company risks and compensation practices. We believe that a separate rulemaking is appropriate for insurers, as with the pending insurance capital rules. However, at a minimum, an extension of the comment period would allow time for insurers subject to the rule and the Board to gather and consider additional critical data relevant to this important rule.

In addition, the NPR poses significant and complex legal issues. We believe it is appropriate and necessary to invest additional time to understand those issues, including federalism issues posed by the role of states in enforcing the rule for insurance subsidiaries, as well as McCarran-Ferguson Act implications.

Because of the above considerations, we believe that a 120-day extension of the comment period is critical to afford significant time for stakeholders, including industry stakeholders and policymakers, to provide adequate input and data to inform this proposal. We respectfully urge the Board to extend the comment period for the NPR for an additional 120 days, and we greatly appreciate your consideration of our request.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert deV. Frierson", with a long horizontal flourish extending to the right.

Executive Director, The Insurance Coalition