



## Association Internationale pour l'Etude de l'Economie de l'Assurance

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VIA ELECTRONIC SUBMISSION TO:  
regs.comments@federalreserve.gov  
www.regulations.gov

**Ms Jennifer J. Johnson**  
Secretary, Board of Governors of the  
Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
**US- Washington, D.C. 20551**

12 CFR Part 252, Regulation YY:  
Docket No. 1438, RIN 7100-AD-86

13 February 2012

### **Re: Enhanced Prudential Standards and Early Remediation Requirements for Covered Companies**

Ladies and Gentlemen,

The Geneva Association is requesting a 60-day extension of the public comment date for the above referenced proposed rule. We have submitted our request to extend the comment period to the website and e-mail address above.

The Geneva Association – officially the “International Association for the Study of Insurance Economics” – was established in 1973. It is a not-for-profit association and it is the leading international insurance think tank for strategically important insurance and risk management issues. Through its research programmes, publications, and organisation of international meetings, it is the leading voice of the largest insurance and reinsurance groups worldwide in the dialogue with international institutions, including many U.S. companies and international companies with significant U.S. operations. The Geneva Association programmes include multiple forums on key risk topics, including old age security, health and demographics, risk management, and very importantly financial stability. Its Members include up to 90 CEOs of these groups, and its General Secretariat is located in Geneva, Switzerland.

Our extension request is motivated by the scope and potential impact of the proposed prudential standards and early remediation requirements for nonbank financial institutions (“Covered Companies”), under sections 165 and 166 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Specifically, the proposal seeks comments on enhanced standards (including risk-based capital and leverage requirements, liquidity standards, requirements for overall risk management, single-party credit limits, stress test requirements, and a debt-to-equity limit) and early remediation requirements for companies designated by the Financial Stability Oversight Council (FSOC).<sup>1</sup>

The proposed rule uses bank holding company frameworks as the foundation upon which to build incremental regulations and standards that would be applied to nonbank financial companies

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<sup>1</sup> Please see [www.regulations.gov](http://www.regulations.gov) for comments submitted by The Geneva Association on the proposed procedure and process to designate nonbank financial companies for enhanced supervision by the Federal Reserve System, reference 12 CFR Part 1310, RIN 4030-AA00, 19 December 2011.

designated by the FSOC. In our view, to be effective for the insurance industry, any incremental requirements would necessarily start with standards now in force for the insurance industry, as the foundation upon which to build any additive requirements.

Further, any additive requirements should distinguish those insurance activities that have not created nor amplified systemic risk, from other types of activities which have contributed to such risk. Inappropriately designed regulation and standards could bring consequences for the industry and consumers, including higher regulatory burden costs to designated companies which are not justified by the likely benefits, competitive imbalances within the financial services sector, and higher consumer costs for insurance cover.

Consequently, it is our position that the current public comment deadline of 31 March 2012 should be extended to provide sufficient time to develop comments that balance objectives for a more capable set of regulations with the risks posed by companies designated by the FSOC on financial stability concerns.

Your prompt response to our request for a 60-day extension of the public comment date would be most appreciated.

Yours sincerely,

Patrick M. Liedtke  
Secretary General and Managing Director

Donald Inscoe  
Head, Institutional Relations