



Financial Security...for Life.

**Julie A. Spiezio**

Senior Vice President, Insurance Regulation & Deputy General Counsel

(202) 624-2194 t (866) 953-4083 f

[juliespiezio@acli.com](mailto:juliespiezio@acli.com)

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Janet L. Yellen  
Chair  
Board of Governors of the Federal Reserve System  
20th Street & Constitution Ave. NW  
Washington, DC 20551

**Re: Proposed Amendments to the Capital Plan and Stress Test Rules (Regulations Y and YY; Docket No. R-1517)**

Dear Chair Yellen:

These comments are submitted on behalf of the American Council of Life Insurers (the "ACLI"). The ACLI is a national trade association with 284 member companies representing more than 90 percent of the assets and premiums of the life insurance and annuity industry in the United States. We appreciate the opportunity to submit comments related to the Federal Reserve Board's (the "FRB") proposed amendments to the capital plan and stress test rules (Regulations Y and YY; Docket No. R-1517).

As noted in footnote 3 of the proposed amendments, the regulations and the proposed amendments do not apply to savings and loan holding companies that are substantially engaged in insurance underwriting activities as the FRB is currently working on an appropriate capital regime for those institutions. Nevertheless, we would like to take this opportunity to urge the FRB to recognize that, once such capital standards are finalized, a reasonable time must be provided after their enactment for the affected companies to firmly establish the systems and compliance infrastructure necessary to enable their compliance with any appropriate stress testing regime intended to apply to such entities. The proposed amendments represent recognition by the FRB of the complexities related to an institution's ultimate ability to comply with these existing requirements. We submit that similar complexities will exist for savings and loan holding companies that are substantially engaged in insurance underwriting activities should they ultimately become subject to an FRB stress testing regime, and therefore should be similarly afforded a reasonable amount of time as is necessary to ensure the ability to comply with such requirements.

Similarly, while not the subject of the current proposal, we feel strongly that the same issues we raise here apply to any insurance company subject to FRB oversight (i.e., insurers that have been designated as systemically significant by the Financial Stability Oversight Council), and therefore urge the FRB to proceed in an equally measured manner in regard to any capital standard and stress testing intended to apply to those entities as well.

We thank the FRB for considering our views. We are available for further discussion on this matter at your convenience.

Respectfully submitted,

Julie A. Spiezio