



The Cypress Group

July 21, 2016

Robert V. Frierson  
Secretary  
Board of Governors of the Federal Reserve System  
20th Street & Constitution Ave., NW  
Washington, DC 20551

**Request for Extension: Advance Notice of Rulemaking on Capital Requirements for Supervised Institutions Significantly Engaged in Insurance Activities (Docket No. R-1539 & RIN 7100 AE 53)**

Dear Mr. Frierson:

I am writing on behalf of The Insurance Coalition, a group of federally supervised insurance companies and interested parties. We share a common interest in federal regulations that apply to insurance savings and loan holding companies ("insurance SLHCs") and insurance companies that have been designated systemically important financial institutions ("insurance SIFIs"). In this case, we are writing because many of the Insurance Coalition's members would be directly subject to the pending notice of advanced notice of proposed rulemaking ("ANPR") on capital requirements for supervised institutions significantly engaged in insurance activities. Specifically, we are writing to request an extension of forty-five (45) days be granted beyond the current comment period, which ends on August 17, 2016.

We greatly appreciate the open process leading up to the ANPR, and look forward to a continued dialogue. It is of utmost importance to our members, and indeed, the entire insurance industry, that we provide as thoughtful and detailed a response to the ANPR as possible. As you know, this is the first time that a capital framework for any insurer is being developed at the federal level, and the development of the framework will significantly affect federally supervised insurance companies, and possibly the entire insurance industry.

Because the consequences of the ANPR are so significant, it is imperative that we devote the time and attention to our response that the proposal merits. There are multiple regulatory proposals currently pending that require our input and they present a challenge to our ability to fully focus on the ANPR. For this reason as well as the complicated and precedent-setting nature of the matter covered by the ANPR, we are concerned that absent an extension, our response would not be as thorough and thoughtful as this important issue requires.

Specifically, Coalition member companies are currently developing comments for the pending Notice of Proposed Rulemaking ("NPR") on incentive-based compensation arrangements<sup>1</sup>, with a deadline of July 22, and the NPR regarding enhanced prudential

<sup>1</sup> Fed. Reserve, Incentive-based Compensation Arrangements 1-11 (2016), [https://www.federalreserve.gov/newsevents/press/bcreg/bcreg2\\_01605\\_02a2.pdf](https://www.federalreserve.gov/newsevents/press/bcreg/bcreg2_01605_02a2.pdf).

standards for systemically significant insurance companies, with a deadline of August 17-. Additionally, the International Association of Insurance Supervisors ("IAIS") released its consultative document on the Insurance Capital Standard ("ICS") this month, with comments due in October.<sup>1</sup>

Because we are committed to a comprehensive response to the ANPR, and the current comment period is too short to permit such a response, we respectfully request an additional forty-five (45) days beyond the current deadline of August 17, 2016.

Thank you for your consideration of our request. We look forward to a continued dialogue on this important rulemaking.

Sincerely,

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

Bridget Hagan  
Executive Director  
The Insurance Coalition

cc: Thomas Sullivan  
Linda Duzick

<sup>2</sup> *Id.*, at 3; Capital Requirements for Supervised Inst. Significantly Engaged in Ins. Activities, 81 Fed. Reg. 38631 (proposed June 14, 2016) (to be codified at 12 C.F.R. ch. 2).

<sup>3</sup> See Int'l Ass'ns of Ins. Supervisors, <http://www.iaisweb.orfi/index.cfm?event=showPage&nodeld=61446> (last visited July 19, 2016) (showing that the IAIS writes and publishes "Insurance Capital Standards Papers" and has already posted a "2016 ICS Consultation Document" on its website).