

AMERICAN COUNCIL OF LIFE INSURERS, VYTAS AUKSTUOLIS

Proposal and Comment Information

Title: Study and Report to Congress on the Impact on Consumers and Markets in the United States of a Final International Insurance Capital Standard, OP-1845

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Subject

Docket No. OP-1845 ACLI comments

Submitter Information

Organization Name: American Council of Life Insurers

Organization Type: Organization

Name: Vytas Aukstuolis

Submitted Date: 01/10/2025

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Good afternoon,

Please see the attached ACLI comments in response to the Study and Report to Congress on the Impact on Consumers and Markets in the United States of Final International Insurance Capital Standard.

Have a nice weekend.

Best,

[https://www.acli.com/-/media/public/images/outlook-signature-graphic/fri_v1_esig.png]<https://www.acli.com/news-and-analysis/financial-resilience-index>

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January 10, 2025

Ann E. Misback
Board of Governors of the Federal Reserve System
20th and Constitution Avenue
Washington, DC 20551
[Via email: regs.comments@federalreserve.gov]

Re: Docket No. OP-1845

On behalf of the American Council of Life Insurers (ACLI), we are writing to express our comments regarding the recently released report, “The Impact of the International Insurance Capital Standard on Consumers and Markets in the United States.”

First, we would like to extend our sincere congratulations on the recognition of the U.S. Aggregation Method (AM) as providing a basis for the implementation of the international Insurance Capital Standard (ICS) to produce comparable outcomes. This achievement of Team USA (NAIC, Federal Reserve, and FIO), supported by ACLI, enables U.S. insurers operate more efficiently abroad, reinforces consumer protection, and preserves the availability of long-term products in the U.S. insurance marketplace. We also applaud the simultaneous adoption of the ICS by the IAIS as a prescribed capital standard for internationally active insurance groups. These two milestones represent years of work that demonstrate a commitment to promoting a resilient insurance sector and enhancing financial stability.

As the report shows, the collaboration between Team USA (Federal Reserve, Treasury Department Federal Insurance Office and the NAIC) has been exemplary. We appreciate the U.S. agencies proactive consultation with stakeholders to shape a final outcome that is robust and pragmatic.

We value the thorough summary of the development of the ICS and AM in the report that shows the rigorous work done to achieve this outcome. We also appreciate the analysis of the impacts on consumers, capital markets, IAIG's, reinsurance, and other impacts.



The recognition of U.S. AM as a basis for implementation of the ICS will greatly contribute to the stability and efficiency of insurance markets, both domestically and internationally, while allowing U.S. policymakers the sovereign flexibility needed to meet the needs of U.S. consumers.

The ACLI remains committed to continuing our work with Team USA to ensure the effective and smooth implementation of these standards, including with the development of the final AM. This collaborative approach will help ensure that U.S. life insurers can continue to provide financial protection for families.

We appreciate the dedication and hard work of all parties involved in reaching this achievement and look forward to our ongoing collaboration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mariana Gomez-Vock', written in a cursive style.

Mariana Gomez-Vock
Senior Vice President,
Prudential Policy & International
American Council of Life Insurers

A handwritten signature in black ink, appearing to read 'Vytas Aukstuolis', written in a cursive style.

Vytas Aukstuolis
Manager,
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American Council of Life Insurers