



## Helping Insurers Designated as Significantly Important by FSOC

Some insurers have been deemed systemically risky to the nation's entire financial system. They are AIG and Prudential Financial Services. MetLife is also being considered.

Prudential is appealing the designation. AIG is not. MetLife has proposed an alternative.

Insurers will be forced to accept the capital standards and other regs passed in the Dodd-Frank Act for banks. The problem is insurers are nothing like banks or bank-like firms.

The industry has been pushing Congress and the Federal Reserve Board to recognize that fact and pass legislation that changes the Dodd-Frank Act rules for insurers deemed systemically risky.

Recognizing the problem, a bipartisan group of senators has introduced a bill to give the Federal Reserve Board considerable flexibility in dealing with the non-bank financial institutions designated as significant by the Financial Stability Oversight Council (FSOC).

There is also considerable support in the House.

Under the proposal by Democrat Sens. Sherrod Brown of Ohio and Jon Tester of Montana and Republicans Mike Johanns of Nebraska, Mark Kirk of Illinois and Pat Toomey of Pennsylvania, the Fed will be allowed to tailor capital requirements for insurers differently than those imposed on banks. "We're looking at what kind of regulations they are handing down and how insurance companies can be governed differently," Brown said.

Meanwhile, the Fed has acted on its own to postpone making these rules applicable to insurers until 2015.