

Banking and Finance Law Daily Wrap Up, CAPITAL AND BASEL ACCORDS— More time sought to comment on insurance company capital proposal, (Jul. 21, 2016)

By [John M. Pachkowski, J.D.](#)

The U.S. Chamber of Commerce has called upon the Federal Reserve Board for a 45-day extension of the comment period for the advance notice of proposed rulemaking on capital requirements for supervised institutions significantly engaged in insurance activities (ANPR).

The [ANPR](#), which was approved by the Fed at its June 3, 2016, meeting, seeks comments on the Building Block Approach and the Consolidated Approach that would be used to establish regulatory capital requirements for supervised insurance institutions. The two approaches were developed from input received and considered through engagement with insurance regulators, industry and accounting experts, and representatives from the insurance industry, among other interested parties. The two approaches also meet the requirements of section 171 of the Dodd-Frank Act, referred to as the Collins Amendments, especially 2014 amendments that provide the Fed with flexibility to tailor these capital requirements to the risks presented by insurance companies (see *Banking and Finance Law Daily*, [June 3, 2016](#)).

The Chamber of Commerce [noted](#) that an extension of the comment period "is warranted in light of the novel and unique legal questions raised in the ANPR, many of which are being considered by stakeholders for the first time."

The business group further justified its request by noting that it and its members are also "actively responding" to a [second proposal](#) also approved by the Fed at its meeting. That second proposal would implement the requirements of section 165 of the Dodd-Frank Act that directs the Fed to establish enhanced prudential standards for nonbank financial institutions that the Financial Stability Oversight Council has designated to be systemically important insurance companies. If finalized, the enhanced prudential standards would apply to American International Group, Inc. (AIG), and Prudential Financial, Inc.

Finally, the Chamber noted that the amount of time provided for notice and comment for the ANPR is much shorter than similar rules for other sectors and that the 45-day extension would "provide the opportunity for meaningful input and commentary on the proposed [capital] approaches and further develop the dialogue on how such standards impact users of insurance products and investment in the capital markets."

Companies: American International Group, Inc.; Prudential Financial, Inc.; U.S. Chamber of Commerce

RegulatoryActivity: BankHolding CapitalBaselAccords DoddFrankAct FederalReserveSystem
FinancialIntermediaries FinancialStability PrudentialRegulation