



AMERICAN ACADEMY of ACTUARIES

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January 17, 2018

The Honorable Mitch McConnell
Majority Leader, U.S. Senate
S-230 Capitol Building
Washington, DC 20510

The Honorable Chuck Schumer
Democratic Leader, U.S. Senate
S-221 Capitol Building
Washington, DC 20510

Re: S. 2155 - *Economic Growth, Regulatory Relief, and Consumer Protection Act*

Dear Leader McConnell and Leader Schumer:

On behalf of the Financial Regulatory Task Force of the American Academy of Actuaries,¹ we want to take the opportunity to provide comments on the bipartisan financial regulation bill—S. 2155, the *Economic Growth, Regulatory Relief, and Consumer Protection Act*.

Our comments specifically are in reference to section 212, International Insurance Capital Standards Accountability, and the establishment of the Insurance Policy Advisory Committee on International Capital Standards and Other Insurance Issues at the Board of Governors of the Federal Reserve System (“the committee”).

If Congress moves to establish the advisory committee, we strongly urge you to consider the impact of an absence of actuarial expertise on the work of that committee should the legislation not explicitly provide for the inclusion of actuaries in subsection (b)(2) of that section. Actuaries are uniquely qualified through rigorous education and training to be experts in assessing the risks of insurance products and employee and retiree benefits, and their effect on companies’ overall financial strength relative to the risks assumed. Actuaries have worked for decades with insurance and other financial sector regulators to develop prudent rules addressing insurer solvency, including regulatory capital requirements.

Thus, a simple revision to the current language of section 212(b)(2) of the bill could read:

The Committee shall be composed of not more than 21 members, all of whom represent a diverse set of expert perspectives from the various sectors of the United States insurance industry, including life insurance, property and casualty insurance and reinsurance, actuaries with expertise regarding insurance capital adequacy and financial solvency,

¹ The American Academy of Actuaries is a 19,000 member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

agents and brokers, academics, consumer advocates, or experts on issues facing underserved insurance communities and consumers.

We appreciate the opportunity to provide these comments. If you have any questions or would like to discuss further, please contact Nikhail Nigam, the Academy's policy analyst for risk management and financial reporting issues, at 202-223-8196 or nigam@actuary.org.

Sincerely,

William Hines, MAAA, FSA
Chairperson
Financial Regulatory Task Force
American Academy of Actuaries

cc: Senator Mike Crapo,
Chair, Senate Committee on Banking Housing and Urban Affairs
Senator Sherrod Brown
Ranking Member, Committee on Banking Housing and Urban Affairs