



Systemic Risk/Financial Stability Oversight Council

The Dodd-Frank Act created a body to identify threats to the financial stability of the United States and respond to emerging risks to the economy.

NAMIC opposes designating property/casualty insurance companies as systemically important financial institutions (SIFIs). The business of property/casualty insurance is unique in the financial services sector and the number one priority of mutual companies is to ensure they remain solvent and able to meet their responsibilities to their policyholders.

Background

The Financial Stability Oversight Council (FSOC) is the established body charged with monitoring systemic risk by identifying these risks and closing regulatory gaps. It is made up of ten voting members – nine representatives from federal financial regulatory agencies and an “independent member with insurance expertise” – and five nonvoting members, including the Director of the Federal Insurance Office (FIO) and a state insurance commissioner selected by the state insurance commissioners.

During the implementation of Dodd-Frank and the establishment of FSOC, NAMIC reiterated its long-standing positions that the mutual property/casualty insurance industry did not contribute to the economic crisis, does not create any current systemic risk, and is adequately regulated at the state level.

Property/casualty insurance companies on the whole are very well-capitalized and are in no danger of insolvency. Their prudent management and conservative approach to long-term stability are particularly well suited to protecting consumers on Main Streets across America.

NAMIC has successfully worked to ensure the mutual property/casualty insurance industry was not needlessly swept into the reform of Wall Street regulations. This work will continue as implementation goes forward. NAMIC has responded to the proposed



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NAMIC is the largest and most diverse property/casualty trade association in the country, with 1,400 national, regional and local mutual insurance member companies serving more than 135 million auto, home, and business policyholders. These companies write in excess of \$196 billion in annual premiums, accounting for 50 percent of the automobile/ homeowners market and 31 percent of the business insurance market. More than 200,000 people are employed by NAMIC member companies.

Dodd-Frank Implementation

rulemakings issued by FSOC and believes that our message has largely been heard. However, it is vital that the property/casualty industry be vigilant to ensure our companies are recognized for their responsible business practices and remain outside the broad scope of the FSOC.

For more information on Systemic Risk/Financial Stability Oversight Council go to

<http://www.namic.org/federal/fedissues.asp>, or contact



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