



The Cypress Group

June 2, 2016

Gerard S. Poliquin
Secretary of the Board, National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Docket No. 1536
RIN No. 7100 AE-50

Request for Extension: Re-proposed joint rules implementing the incentive compensation requirements of the Dodd-Frank Act

Dear Mr. Poliquin:

I am writing on behalf of the Insurance Coalition, a group of like-minded insurance companies. As a group with several members subject to the joint rules implementing section 956 of the Dodd-Frank Wall Street Act (the "NPR"), we are requesting an extension of time to ensure that the rules are appropriately tailored to the business of insurance and reflect adequate data regarding insurance risks and compensation practices. Given the distinct insurance business model and significant implications for insurers subject to the rule, we are requesting an additional one hundred and twenty (120) days beyond the original comment deadline of July 22, 2016, to ensure that the rule reflects the best data and analysis possible.

While we appreciate the goals the NPR seeks to achieve, we believe that the rule is not tailored to insurance and does not currently reflect an analysis of the unique risks in insurance and insurance compensation practices. For example, neither the 2010 Large Banking Organization Horizontal Review nor the Financial Stability Board or Basel Committee Guidance cited in the Preamble includes specific consideration of insurance company risks and compensation practices. We believe that a separate rulemaking is appropriate for insurers, given the complexities raised by the rule's application to a segment of a primarily state-regulated industry. However, at a minimum, an extension of the comment period would allow time for insurers subject to the rule and the National Credit Union Administration ("NCUA") to gather and consider additional critical data relevant to this important rule.

In addition, the NPR poses significant and complex legal issues. We believe it is appropriate and necessary to invest additional time to understand those issues, including federalism issues posed by the role of states in enforcing the rule for insurance subsidiaries, as well as McCarran-Ferguson Act implications.

Because of the above considerations, we believe that a 120-day extension of the comment period is critical to afford significant time for stakeholders, including industry stakeholders and policymakers, to provide adequate input and data to inform this proposal. We respectfully urge the NCUA to extend the comment period for the NPR for an additional 120 days, and we greatly appreciate your consideration of our request.

Sincerely,

Executive Director, The Insurance Coalition