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Chris Barnard

19 December 2011

- **12 CFR Part 380**
- **RIN: 3064-AD89**
- **Mutual Insurance Holding Company Treated as Insurance Company**

Dear Sir,

Thank you for giving us the opportunity to comment on your notice of proposed rulemaking: Mutual Insurance Holding Company Treated as Insurance Company.

You are proposing a rule that provides for the treatment of a mutual insurance holding company as an insurance company for the purpose of Section 203(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank). The proposed rule clarifies that the liquidation and rehabilitation of a covered financial company that is a mutual insurance holding company will be conducted in the same manner as an insurance company provided that certain conditions are met. The proposed rule is intended to harmonize the treatment of mutual insurance holding companies under Section 203(e) of Dodd-Frank with the treatment of such companies under state insolvency regimes.

I support the proposed rule, which is common sense and clear. A mutual insurance holding company clearly should be treated as an insurance company for the purposes of Section 203(e) of Dodd-Frank. This will harmonize the treatment of insurance companies and improve regulatory consistency in this arena.

I would only recommend one wording change to the proposed definition of "mutual insurance company" under proposed § 380.1. I do agree that the term "mutual insurance company" means a domestic insurance company in which "...equity and voting rights are vested in the policyholders"; however it is also important that the policyholders actually exercise effective control, rather than have that power merely conferred by charter or otherwise. Therefore I would recommend that you change the proposed wording as follows:

Please note that the comments expressed herein are solely my personal views

§380.1 Definitions.

Mutual insurance company. The term “mutual insurance company” means a domestic insurance company organized under the laws of a State that provides for the formation of such an entity as a non-stock mutual association in which equity, voting rights and control are vested in the policyholders.

This is clear, reasonable, sufficient and complete, and better defines the term “mutual insurance company”.

Yours faithfully

Chris Barnard