

James M. Olsen  
VP, Accounting and Investment Policy

February 10, 2012

Office of the Comptroller of the Currency  
250 E Street, SW.  
Mail Stop 2-3  
Washington DC 20219

Jennifer Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Ave, NW.  
Washington, D.C. 20551

Robert E. Feldman, Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW.  
Washington, DC 20429

Elizabeth M. Murphy, Secretary  
Securities and Exchange Commission  
100 F Street, NE.  
Washington, DC 20549-1090

**RE:** Notice of Proposed Rulemaking on Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds (OCC Docket No. OCC-2011-0014; FRS Docket No. R-1432, RIN: 7100 AD 82; FDIC RIN: 3064-AD85; SEC Release No. 34-65545, File No. S7-41-11, RIN: 3235-AL07

The Property Casualty Insurers Association of America (PCI) welcomes the opportunity to respond to the requests for comments regarding the above referenced topic. PCI's more than 1000 member insurance companies write over \$180 billion in annual premium, which represents more than 38 percent of the property casualty insurance coverage written in the United States.

We recognize and appreciate the Agencies' efforts to address the expressed recognition of Congress, in section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA), to "appropriately accommodate the business of insurance, subject to regulation in accordance with relevant insurance company investment laws."

The investments of insurance companies are subject to relevant state investment laws that govern the types and amounts of investments insurers can make. These investments are also subject to limitations as to what investments can be included in admitted assets for purposes of determining capital adequacy. Insurers report each of their investments to state insurance departments which monitor and evaluate the investments as part of the department's process for solvency regulation.

State insurance investment laws apply to all investments made by insurers including those included in the DFA definition of covered funds. However, Subpart C of the Proposed Rule does not include a clear reference to an exemption for regulated insurers investing in covered funds. We do not believe it was the intention of the

provisions of the Proposed Rule to prohibit insurance companies from utilizing investments that are in compliance with the relevant state insurance company investment laws. To that end we request clarifying language be added to Subpart C of the Proposed Rule that would expressly allow insurers to invest in any investment allowable under its applicable state insurance investment law

If you have any question about our letter, please contact me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "James M. Olsen", written in a cursive style.

James M. Olsen  
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james.olsen@pciaa.net