
MetLife not 'too big to fail': CEO Steven Kandarian

By Editor Test *Wed, Jul 17, 2013*

"To be clear, I support prudent regulation of the life insurance industry. After all, we are financially liable for insolvencies through the state-based guaranty funds. What I do not support is a regulatory system that creates an unlevel playing field," Kandarian said.

MetLife, Inc. chairman, president and CEO Steven A. Kandarian issued the following statement this week after the company was notified by the Financial Stability Oversight Council (FSOC) that it had reached "Stage 3" in the process to determine whether MetLife would be named a non-bank Systemically Important Financial Institution or SIFI:

"We look forward to working with FSOC on the best way to fulfill its obligation to mitigate systemic risk.

"I do not believe that MetLife is a systemically important financial institution. The Dodd-Frank Act defines a SIFI as a company whose failure 'could pose a threat to the financial stability of the United States.' Not only does exposure to MetLife not threaten the financial system, but I cannot think of a single firm that would be threatened by its exposure to MetLife.

"The life insurance industry is a source of financial stability. Even during periods of financial stress, the long-term nature of our liabilities insulates us against bank-like 'runs' and the need to sell off assets.

"To be clear, I support prudent regulation of the life insurance industry. After all, we are financially liable for insolvencies through the state-based guaranty funds. What I do not support is a regulatory system that creates an unlevel playing field.

"If only a handful of large life insurers are named SIFIs and subjected to capital rules designed for banks, our ability to issue guarantees would be constrained. We would have to raise the price of the products we offer, reduce the amount of risk we take on, or stop offering certain products altogether.

"We look forward to working with FSOC on the best way to fulfill its obligation to mitigate systemic risk."

MetLife, Inc. provides insurance, annuities and employee benefit programs to about 90 million customers in the United States, Japan, Latin America, Asia, Europe and the Middle East.

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