REGULATE RISK, NOT RELIABILITY.

Systemic risk regulation should apply to firms that engage in risky activities, not to industries that have a solid track record of reliability.

Property casualty insurance is not systemically risky — and has been strong and stable throughout the financial crisis. We ask Congress to gauge systemic risk by looking at indicators more relevant to risk than asset size, such as: leveraging, interconnectedness, liquidity, cyclicality and transparency.

Property casualty insurers do not engage in risky activities. In its 2009 white paper, the Obama Administration concluded that “the current crisis did not stem from widespread problems in the insurance industry.”

If home, auto and business insurance companies are swept into regulations intended for high risk players, it would hurt American families and undermine our economic recovery.

Consumers come first in the property casualty insurance sector. We already have an effective resolution process at the state level that protects insurance policyholders through the existing system of state guaranty funds. Homeowners, motorists and business owners have peace of mind that their policies will be paid, even in the unlikely event of a company insolvency.

Our industry honors our promise to policyholders. Duplicative regulation for property casualty insurance would only create additional costs, add red tape and hurt our customers.