5. Investor protect

the consolidated approach, it would assign each of an insurance firm's assets, liabilities and certain o - balance sheet exposures to risk segments that share similar risk characteristics. Then, each risk segment would be weighted by a risk factor, and the factor-weighted exposures would be summed to arrive at a consolidated required capital amount. Finally, the insurance group would calculate its consolidated "qualifying capital" and compare it to required capital, making sure it meets any applicable minimum capital ratios. Still to be determined are how exposures are to be segmented, how exposures should be measured, how risk weightings should be determined, a definition of "qualifying capital" and the criteria that should be used to determine a minimum capital ratio. Enhanced prudential and capital standards imposed on an insurance systemically importaioÆnt an,l

also called the Enhancing Financial Institution Safety and Soundness Act of 2010, streamlined banking regulation by abolishing the OTS and transferring its powers to the Fed for thrift holding companies, to the FDIC for state savings associations and to the O ce of the Comptroller of the Currency for other thrifts.

The Fed initially listed 20 insurers with thrifts for additional oversight as thrift holding companies. Many subsequently shed their thrift units to avoid the ensuing additional layer of federal regulation, including stress tests, while others sold their stakes in thrifts, or sold their FDIC-insured deposits and downgraded their charters to trust banks, which are barred from most traditional banking activities. Similarly, at least one insurer changed its thrift charter to a credit union charter.

Separate from the proposed capital rules for SIFIs discussed earlier, for the 12 remaining Fed-supervised insurance holding companies that own a bank or thrift, the Fed, in its ANPR dated June 3, 2016, proposed a so-called building block approach (BBA) to capital requirements. Under the BBA, qualifying capital and required capital would first be calculated at the legal entity level. For example, capital requirements for regulated insurance subsidiaries would be determined according to the rules of the appropriate state or foreign insurance regulator, and qualifying capital and required capital for each insured depository institution or other legal entity would be determined according to any relevant capital rules that would apply. This is similar to the RBC aggregation approach for the NAIC group capital calculation currently being developed. The Fed is seeking comments on how to determine appropriate baseline or minimum capital levels, so the ramifications for a ected companies are uncertain.

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Insurance companies often have asset management operations that provide investment management and other services. Some insurance companies have had extensive asset management operations for some time, while others have acquired asset managers in recent years, in order to grow their businesses. These asset management activities, which are distinct from on-balance sheet insurance-related investment activities that are exempt from registration, now may be subject to more federal oversight. Title IV expanded the regulatory umbrella into new territory, by requiring certain previously exempt investment advisors—including many hedge fund and private equity fund managers—to register under the federal Investment Advisers Act of 1940. The reporting requirements for investment advisers were also increased, and opportunities were reduced for advisers to exclude information from reports to regulators. In addition, a new U.S. Securities and Exchange Commission (SEC) rule that required private fund advisers to periodically file Form PF, on which they report regulatory assets under management (RAUM) to

data not directly comparable—the trend has continued downward since 2013. While some cite the rise in corporate bond issuance since 2008 as demonstration of the market's liquidity, others note that secondary trading volume has grown muchtr

Dodd-Frank rules and regulations can be amended or undone, and in what order such changes should take place, with an understanding of the implications of doing away with them. Wholesale reform could only be done through legislation and legislativ lddoDugsil gi frinh Dul iWhisw