

Press Release



Holtz-Eakin: FSOC Made Fundamental Error In MetLife Decision

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American Action Forum President Douglas Holtz-Eakin made the following statement:

“Today the Financial Stability Oversight Council (FSOC) made a fundamental error in its decision to designate MetLife as a “systemically important financial institution” or SIFI. Insurance does not combine leverage with short-term funding, and does not display a mismatch in the duration of assets and liabilities. For this reason, MetLife is unlikely to pose a risk to stability of the financial system.

“Moreover, while the FSOC acknowledges that it should follow an ‘activities-based’ approach to SIFI designation, it has failed to apply the same standards to insurance companies.

“From the perspective of both process and policy decisions, the FSOC continues to need reform.”