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August 7, 2026

Mr. Michael Campanelli
New York State Department of Financial Services
One State Street
New York, NY 10004
Via e-mail: michael.campanelli@dfs.ny.gov

Re: Proposed Amendment to Part 77 (Insurance Regulation 220) of Title 11 NYCRR

Dear Mr. Campanelli:

State Street appreciates the opportunity to comment on the New York Department of Financial Services' (the "Department") proposed amendment to 11 NYCRR 77 ("Regulation 220"). State Street Corporation maintains a significant presence in New York, including an office in New York City and nearly 500 employees in the state. We serve a broad range of clients in New York, including insurers that are directly affected by this regulation.

State Street commends the Acting Superintendent and the Department for proposing to make permanent the risk-based capital ("RBC") treatment of shares of eligible bond exchange-traded funds ("ETFs") as bonds. The proposal appropriately recognizes the role bond ETFs play in insurance portfolios. Bond ETFs provide insurers with efficient access to diversified fixed-income exposure, as well as liquidity and price transparency that can be difficult to achieve through individual bonds, particularly during periods of market stress. We strongly support the proposed amendment.

The proposal is particularly timely given the January 1, 2027 sunset provision included in the Department's 2021 adoption of Part 77. Finalizing the amendment will provide insurers with regulatory certainty as they make long-term investment decisions.

Additionally, we encourage the Department to revisit certain eligibility criteria.

Eligibility should be extended to actively managed bond ETFs. These funds invest in the same types of fixed-income instruments as index-based bond ETFs and operate within the same regulatory framework. Excluding them unnecessarily limits insurer choice and access to strategies that may help insurers to meet their objectives. Eligibility should be based on the characteristics and risk profile of the underlying portfolio, not whether the ETF is actively managed or index based.

We also support lowering the minimum assets under management ("AUM") threshold for qualifying bond ETFs from \$1 billion. A \$100 million threshold would expand insurer access to a broader range of bond ETFs while maintaining the regulation's investor protection and risk management objectives.

State Street appreciates the opportunity to comment on the proposed amendment to Regulation 220 and strongly supports adoption. We welcome continued engagement with the Department on the treatment of bond ETFs within insurance investment portfolios.

Sincerely,

/s/ Benjamin Woloshin
Managing Director, Head of Insurance
State Street Investment Management