Before S&P Global Inc.

Comment re:
Insurer Risk-Based Capital Adequacy –
Methodology and Assumptions (pub. Dec. 6, 2021)

Comments of the Antitrust Division of the United States Department of Justice

The Antitrust Division submits this comment in response to S&P Global Ratings' ("S&P") request for public comment on its proposed credit ratings changes, *Insurer Risk-Based Capital Adequacy – Methodology and Assumptions* (the "Proposal").[1]

Based on the information provided by S&P, it appears that S&P is proposing to automatically lower its ratings for assets in insurance company investment portfolios rated solely by S&P's competitors. Such changes may affect the incentives of companies to use rating agencies other than S&P or invest in assets rated by agencies other than S&P.

The Antitrust Division suggests that S&P carefully consider whether penalizing insurers that purchase securities rated by S&P's competitors has the potential to raise barriers to entry and expansion by competitors, insulate S&P from competition, or otherwise suppress competition from rival rating agencies. Such actions could raise significant concerns that the Sherman Act has been—or will be—violated and warrant additional scrutiny by the Antitrust Division.

Respectfully submitted,

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1 *Request for Comment: Request For Comment: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions* (Dec. 6, 2021), *at* https://www.spglobal.com/ratings/en/research/articles/211206-criteria-insurance-general-request-for-comment-insurer-risk-based-capital-adequacy-methodology-and-assum-12155699.