Vince Pacilio, Market Segment Head, Insurance, BNY Mellon Markets Group
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Vince Pacilio: Seven years hence the financial market turmoil, it’s fair to say that regulatory changes designed to reduce market infrastructure and participant risk have been profound and far-reaching on a global scale. These regulatory and market infrastructure changes have required firms to rethink and rewire the way they manage their traditional business including liquidity, capital, collateral and hedging to name a few.

Hello. I’m Vince Pacilio, market segment head for the Insurance Industry at BNY Mellon and I’m joined by Michael O’Loughlin, Managing Director in our Markets Group who leads insurance segment initiatives.

One such business unit supporting the insurance industry is our Markets Group. Michael, can you tell us a little about our Markets Group?

Michael O’Loughlin: The Markets Group brings together our experts, technology and operational skills to help our clients effectively manage their risk, capital and liquidity needs. Through the Markets Group, our Insurance clients can benefit from our market leading expertise in foreign exchange, securities finance, liquidity management, fixed income and equity capital markets, collateral and segregation, as well as prime brokerage.

Vince: One of the topics many insurers are thinking through is liquidity. What’s driving that liquidity conversation?

Michael: Well, the low rate environment has been a long ongoing topic of concern, the changing regulatory environment is really impacting how companies manage some of their traditional functions on a day to day business. For example: banking regulations has had a significant impact on the cost of the balance sheet. This is in turn impacting how repo markets evolve and is putting significant demand on high quality liquid assets. Additionally - pending money market reforms impacting net asset value calculations as well as redemption constraints may impact investment flows.

Vince: Michael, what are the various ways the Markets Group can help?
**Michael:** Well I think the first thing I would like our insurance clients to understand is that the Markets Group has a unique position in the financial markets. Through our extensive networks of relationships either as service provider or financial intermediary, we work with our clients across multiple industries and sectors from the buy side to the sell side to help them manage their business.

Oftentimes clients are looking to address multiple issues whether it is investment alternatives, options around raising liquidity or to risk mitigation. The answer often involves multiple solutions.

For example, providing short-term cash investment solutions. More generally, we are working with insurance clients on a wide range of issues today whether it is repo alternatives, currency hedge administration, debt underwriting, ETF trading, or the CME IEF4 program which allows insurers to post investment grade corporates as collateral.

I think the important thing I’d like our Insurance clients to understand is that the Markets Group has a unique perspective on the market as well as regulatory reforms and how it impacts insurers.

We welcome the opportunity to engage in a dialogue.

**Vince:** Michael thanks for sharing your insights on how the Markets Group can help insurance clients.

While the issues and challenges can be demanding, there are a range of solutions and approaches to help the insurance industry solve for these specific challenges.

BNY Mellon is invested in the future of finance and we are invested in your success. As you look to address your challenges and changing needs, find out what we can do for you.

To learn more, contact us or visit bnymellon.com
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