



"Simplifying Regulation for Agents and Brokers..."



THE COUNCIL OF INSURANCE AGENTS & BROKERS



December 1, 2009

The Honorable Barney Frank  
Chairman  
Committee on Financial Services  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Spencer Bachus  
Ranking Member  
Committee on Financial Services  
U.S. House of Representatives  
Washington, DC 20515

**RE: Bean/Royce Amendment to H.R. 2609**

Dear Chairman Frank and Ranking Member Bachus:

We are writing to request your support for an amendment to be offered during the House Financial Services Committee mark-up of H.R. 2609, legislation establishing a Federal Insurance Office (FIO). The amendment, which will be offered by Congresswoman Melissa Bean and Congressman Ed Royce, would instruct the FIO to conduct a comprehensive study on how to modernize and improve the current system of insurance regulation in the United States.

In its paper *Financial Regulatory Reform: A New Foundation*, the Department of Treasury said, "For over 135 years, insurance has primarily been regulated by the states, which has led to a lack of uniformity and reduced competition across state and international boundaries, resulting in inefficiency, reduced product innovation, and higher costs to consumers." The Administration's findings raise important concerns and we are pleased that this amendment is focused on further review of these issues.

Accordingly, the Bean/Royce amendment requires the FIO to examine, among other questions, how best to achieve increased national uniformity: through either a federal charter or effective action by the states. The FIO must report to Congress on the results of the study, along with any appropriate legislative, administrative, or regulatory recommendations for how to address identified problems or concerns. Similar language is included in the Senate draft regulatory reform legislation by Senate Banking Committee Chairman Chris Dodd.

As you undertake modernization of our financial regulatory system, it is critical that you undertake a thoughtful and comprehensive examination of the current insurance and reinsurance regulatory regime, and the ways in which it might be improved to ensure effective oversight, consumer protection, innovation and robust competition in the insurance marketplace.

Please support the Bean/Royce FIO study amendment.

Sincerely,

Agents for Change

American Bankers Insurance Association

American Council of Life Insurers

American Insurance Association

The Council of Insurance Agents and Brokers

The Financial Services Roundtable

National Association of Insurance and Financial Advisors

Reinsurance Association of America

cc: Members of the House Financial Services Committee