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U.S. Senate Committee Hears Testimony on the State of the Insurance Industry

NAIFA Welcomes Congressional Examination of State-Based Insurance Regulatory System

FALLS CHURCH, VA (July 29, 2008) — The National Association of Insurance and Financial Advisors (NAIFA) looks forward to working with members of the Senate Committee on Banking, Housing and Urban Affairs as it continues its examination of the state-based insurance regulatory system.

"Today's Committee hearing was an important step toward achieving heightened Congressional understanding of the challenges agents face in the current multi-state insurance regulatory regime," said NAIFA President, Jeffrey J. Taggart, CLU, ChFC, LUTCF.

In a written statement to the Committee, NAIFA wrote, "Insurance regulation has failed to adapt to changes in the industry and the markets it serves, resulting in the significant regulatory problems that exist today. Unnecessary distinctions among the states and inconsistencies within the states on issues such as licensing, product approval, and consumer protection thwart competition, reduce predictability and add unnecessary expenses to the cost of doing business. Similarly, these outdated rules and practices do not serve the goals of regulation in today's converging financial services marketplace."

To achieve needed reforms, NAIFA supports all aspects of insurance regulatory reform and modernization that help American families and businesses achieve financial security. NAIFA is a strong supporter of improving the state system through NAIC efforts such as the Interstate Compact and producer licensing reform. In addition, NAIFA has supported federal efforts to improve agent licensing by working to closely with members of the U.S. House of Representatives to help advance NARAB II legislation.

NAIFA's Board of Trustees has also recommended to NAIFA's National Council, for its consideration and approval, to conditionally support the concept of an optional federal charter for insurance while continuing to support state-based regulation of insurance. The recommendation and conditions will be voted on by NAIFA's National Council during the upcoming NAIFA Annual Convention and Career Conference, September 6-10 in San Diego, CA.

To view a copy of NAIFA's statement to the Banking Committee click here:
<http://www.naifa.org/advocacy/irr/documents/NAIFASTatementtoSenateBanking.pdf>

NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS

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To learn more about NAIFA's positions on all regulatory reform efforts, please visit the Insurance Regulatory Reform and Modernization section of NAIFA's website at www.naifa.org/advocacy/irr.

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About NAIFA: Founded in 1890 as the National Association of Life Underwriters, the **National Association of Insurance and Financial Advisors** comprises nearly 800 state and local associations representing the business interests of 60,000 members nationwide. Members focus their practices on one or more of the following: life insurance and annuities, health insurance and employee benefits, multiline, and financial advising and investments. NAIFA's mission is to advocate for a positive legislative and regulatory environment, enhance business and professional skills, and promote the ethical conduct of its members. Visit NAIFA's website at www.naifa.org.