



THE FINANCIAL SERVICES ROUNDTABLE

Impacting Policy. Impacting People.



“Simplifying Regulation for Agents and Brokers...”

September 18, 2007

Dear Member of Congress:

Please co-sponsor the National Insurance Act of 2007 (S. 40), legislation to create an optional federal charter (OFC) and modernize insurance regulation. Introduced on May 24, 2007 by Senators Tim Johnson (D-SD) and John Sununu (R-NH), this bipartisan bill will allow consumers, producers and insurers to opt into a federal regulatory structure.

An OFC would standardize the insurance industry to benefit consumers by promoting competition – a bedrock of our economy. The most important reason to support an OFC is not for us; it is for our customers, your constituents.

This legislation would eliminate the problems producers and insurers continue to run into: duplicative licensing requirements and a lack of speed to market of products. In order to sell products across state lines producers have to navigate differing insurance regulations in each state and obtain separate state insurance licenses. This is a time consuming and costly process.

The current system stifles innovation for insurers and prevents the nationwide rollout of products in a timely fashion to meet the needs of our customers. A federal regulatory system would facilitate greater competition and promote the creation of a national market for companies who choose to compete on a national basis resulting in better service and increased product choices for our customers.

Our customers are often perplexed to learn that a product that is available in one state is not offered in another. They also don't understand why they are not able to continue their relationship with their agent – many customers view their agents as trusted financial advisors – if they move out of state. An OFC would allow the insurance marketplace to address these frustrations and allow us to better serve your constituents.

It is important to stress that the first word in OFC is 'optional' -- we are not advocating the abolishment of the state based insurance regulatory system nor would we support a weak federal regulatory system. Currently state regulation is unevenly enforced. We would proudly support a strong, state-of-the-art national regulator to consistently enforce high consumer protections across the country.

Insurance agents and brokers would spend less time on paperwork and have more time to better serve their customers. Insurers would be able to rollout innovative new products in a timelier manner and better respond to the marketplace. An OFC is a win-win for anybody who buys or sells an insurance product.

We would be pleased to schedule a briefing for you with insurance producers and/or company representatives in Washington, D.C. or your district in order for you to hear directly from your constituents. Please do not hesitate to contact Peter Ludgin with Agents for Change at peter@agents4change.net or 202-589-1928 or Andy Barbour with the Financial Services Roundtable at andy@fsround.org or 202-289-4322 if you have any questions or to schedule a briefing.

Sincerely,



Robert Poli
Chairman
Agents for Change



Steve Bartlett
President and CEO
The Financial Services Roundtable

Agents for Change and the Financial Services Roundtable work in a collaborative relationship to further our shared goal of an OFC, which is a top priority for both organizations. Agents for Change is a trade association representing over 4,000 insurance agents and brokers nationwide from across all lines of insurance. The Financial Services Roundtable represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer.