



“Simplifying Regulation for Agents and Brokers...”

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Agents for Change Commends Representatives Bean and Royce for Reintroducing Optional Federal Charter Legislation

Agents for Change strongly commends Representatives Melissa Bean (D-IL) and Ed Royce (R-CA) for reintroducing the National Insurance Act of 2007. The bill, which would create an optional federal charter (OFC), is companion legislation to S. 40 introduced by Senators Tim Johnson (D-SD) and John Sununu (R-NH) on May 24, 2007.

Robert Poli, the Chairman of Agents for Change said, “Very simply, an OFC will significantly improve choice and competition in the insurance marketplace and benefit everyone who buys or sells an insurance product. This legislation protects consumers, decreases bureaucracy, and modernizes the insurance marketplace. Representatives Bean and Royce have our unwavering support.”

Producers continue to hit the same roadblocks: licensing hassles and speed to market of new products. In order to sell in more than one state, insurance agents and brokers have to navigate through separate state bureaucracies and obtain separate state insurance licenses. The mandatory state regulatory system also stymies consumers with limited products. For producers, these hurdles are frustrating, time consuming, and costly. For their customers they are unacceptable.

Under an OFC, innovative products will be offered in a more timely fashion because of diminished regulatory burdens. It will also allow producers, who are oftentimes viewed as trusted financial advisors, to offer their customers additional products at competitive rates no matter where they live or move. Moreover, free market pricing is an important concept to embrace in the 21st century.

Peter Ludgin, who serves as the executive director of Agents for Change said, “the first word in OFC is optional, we are not advocating the abolishment of the state based insurance regulatory system. Producers should have the ability to opt into a federal regulatory system if it makes sense for their business models.”

Ludgin continued, “All interested parties agree that the status quo is unacceptable. The difference is Representatives Bean and Royce have a solution. Consumers will have access to more products. Producers will spend less time on paperwork and have more time to better serve their customers. At its core an OFC will promote competition, choice, and open markets which will ultimately help the insurance marketplace flourish.”

Agents for Change is a trade association of insurance agents and brokers from across all lines of insurance. Members of Agents for Change offer expert advice to public policy makers as they move forward to enact an optional federal charter to allow producers the option of being regulated at either the federal or the state level. Agents for Change has over 4,000 members nationwide.

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