



“Simplifying Regulation for Agents and Brokers...”

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Agents for Change Strongly Supports Treasury’s Blueprint for Financial Regulatory Reform

Agents for Change commends Treasury Secretary Henry Paulson for recognizing the need for an optional federal charter (OFC) for producers and insurers in the Department of the Treasury’s Blueprint for Financial Regulatory Reform.

The current regulatory framework for insurance was developed in the 19th century. Over 135 years later insurance producers need a modern regulatory structure to best serve their customers. Importantly, however, for agents and brokers who choose to continue to be licensed at the state level an OFC will leave the existing state system intact.

Robert Poli, the Chairman of Agents for Change said, “Proponents of an OFC have made great strides since July 2006. For the first time bipartisan legislation (the National Insurance Act of 2007, S. 40 and H.R. 3200) has been introduced in both houses of Congress and hearings on insurance regulation reform have been held in both the Senate and House. Today’s unveiling of The Blueprint for Financial Regulatory Reform is a very important marker in the sand and we laud Secretary Paulson for his vision and leadership.”

Poli continued, “On June 5, 2007 the Agents for Change board of directors met with Under Secretary for Financial Institutions David Nason to express the association’s support of an OFC. In November, 2007 the board wrote a letter to Secretary Paulson in response to a request for public comments leading up today’s release of the Blueprint. In addition, more than 70 members of Agents for Change wrote individual letters to Secretary Paulson. We are pleased our message was heard.”

Peter Ludgin, executive director of Agents for Change stated, “We are proud to have the support of Secretary Paulson and the Department of the Treasury. This promises to be a long road but make no mistake: the Department of the Treasury’s Blueprint for Financial

Regulatory Reform is strong acknowledgement for the need of an OFC. This issue is relatively simple for the producer community – at its core it is about the hoops agents and brokers have to jump through to serve their customers. For producers, these hoops are frustrating, time consuming, and costly. For their customers they are unacceptable. We are pleased the Department of the Treasury has affirmed that the best way to remove these hoops is by enacting an OFC.”

Ludgin continued, “An OFC will provide additional choice and competition in the market place and it will promote market stability and consistently strong consumer protections across 56 jurisdictions (50 states, five territories, and the District of Columbia). We are elated that the Department of the Treasury has acknowledged what our members know: the state-based insurance regulatory system is rife with inefficiencies.”

An OFC must be truly optional. It must promote speed to market of products and eliminate price controls. The Department of the Treasury’s acknowledgement that the benefits of an OFC should flow to both life and property & casualty producers and the customers they serve is welcome news.

An OFC will promote competition. It may lower prices. It will benefit everybody who buys or sells an insurance product. An OFC is smart public policy for the 21st century.

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 6,000 members nationwide.