



“Simplifying Regulation for Agents and Brokers...”

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Contact: Peter Ludgin, (202) 589-1929

Senate Banking Committee Holds Hearing on Insurance Regulation Reform

Agents for Change commends the United States Senate Committee on Banking, Housing, and Urban Affairs for holding its first in a series of hearings on insurance regulation reform today. “The purpose of these hearings is to continue the Committee’s historical oversight of the insurance industry, and, in particular, to determine how U.S. insurance regulation can be strengthened and modernized,” stated Chairman Richard Shelby (R-AL) in his opening statement.

Senator Shelby further praised Senators John Sununu (R-NH) and Tim Johnson (D-SD) for working on ways to modernize insurance regulation stating “I commend them for their innovative work and willingness to tackle such a daunting task as insurance regulation reform.”

Senator Shelby was referring to Senator Sununu and Johnson’s recently introduced legislation, the National Insurance Act of 2006 (S. 2509), which would create an optional federal charter (OFC).

Under an OFC consumers will have access to more products and may save money due to increased efficiencies in regulation. Producers will spend less time on paperwork and have more time to better serve their clients. This legislation is a win-win for anybody who owns or sells an insurance product.

“Today’s hearing is a positive step in the right direction. We are confident that as members of the Senate Banking Committee further explore the insurance regulatory framework they will realize that the current state-based system is in dire need of repair and an OFC is the best remedy,” said Robert Poli, Chairman of Agents for Change.

“The most pressing reason to enact an OFC is for consumers -- not for producers,” continued Poli. “Consumers are frustrated with the lack of choice among insurance products and coverage in the current system.”

Poli further stated, “it is important to stress that the first word in OFC is ‘optional’-- we do not want to abolish the state based insurance regulatory system. We simply want to give the ‘option’ to producers to opt into a federal regulatory system if it makes sense for their clients and business models.”

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 1,500 members nationwide.