



“Simplifying Regulation for Agents and Brokers...”

FOR IMMEDIATE RELEASE

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Agents for Change Hosts Roundtable for Representative Melissa Bean on October 29, 2007

Agents for Change will host a roundtable with Congresswoman Melissa Bean (D-IL) to discuss problems in our insurance regulatory system and its impact on consumers. Representative Bean and more than 70 local insurance producers and executives are expected to participate at the Chicago Marriott Schaumburg, 50 North Martingale Road, Schaumburg, IL 60173 on October 29, 2007 from 8:00-9:30 a.m.

The Congresswoman, along with Rep. Ed Royce (R-CA), has introduced the National Insurance Act of 2007 (H.R. 3200), to modernize insurance regulation. Their bill, which would create an optional federal charter (OFC), is companion legislation to a bipartisan Senate bill (S. 40) introduced earlier this year. This is the first time bipartisan legislation to create an OFC has been introduced in both chambers of Congress.

The current system of state-based insurance regulation is outmoded and hasn't changed in over a century. The state regulatory system – which requires producers and insurers to work with 56 different regulators – is burdensome and leads to fewer options for consumers and less competitive prices. The National Insurance Act of 2007 would create an OFC, similar to the dual-system available to the banking industry.

Attendees will tell real world stories as to how an OFC will help them better serve their customers. They will also discuss the hoops they have to jump through under the current regulatory structure to simply serve their customers.

Peter Ludgin, executive director of Agents for Change stated, “Insurance producers are living in an internet world but working in a world of 19th century insurance regulation. This breakfast will allow Representative Bean to hear directly from her constituents and Illinois residents on issues that are important to insurance consumers. Producers have their finger on the pulse and best know how their clients are hampered under the state regulatory system.”

Dave Weeks, a Certified Financial Planner whose practice involves comprehensive financial planning, said, “My clients view me as a trusted financial advisor yet I cannot continue to serve them if they move out of state. It is illegal for me to simply send a newsletter to a client who has moved to a state where I am not licensed. In the 21st century, this makes no sense, and the arcane, antiquated system we are forced to work under ultimately hinders my service to my clients and their families.” Dave is affiliated with AXA Advisors, LLC and established Weeks Financial Group in 2000, which is located in Naperville, IL.

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 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 to help spur competition.

Ludgin continued, “All interested parties agree that the status quo is unacceptable. The difference is Representative Bean has 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 4,500 members nationwide.

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