



“Simplifying Regulation for Agents and Brokers...”

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## **Agents for Change Commends Senators Sununu and Johnson for Introducing Optional Federal Charter Legislation**

Agents for Change strongly commends Senators John Sununu (R-NH) and Tim Johnson (D-SD) for introducing legislation to create an Optional Federal Charter (OFC). “The legislation put forth by Senators Sununu and Johnson will help producers get out from under the red-tape, onerous paperwork, and bureaucratic snafus that go hand-in-hand with the state based regulatory system,” said Robert Poli, Chairman of Agents for Change.

Producers, who serve their customers day-in and day-out, 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 insurance regulations and obtain a separate insurance license in each state. The current state-based system burdens agents who want to serve customers across state lines. This makes no sense in the 21<sup>st</sup> century and would be rectified under an OFC. Moreover, under an OFC more products will be offered in a more timely fashion because of diminished regulatory burdens.

“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. They simply don’t understand why a product that is available in Illinois is not offered in Indiana or Missouri or why they may not be able to continue their relationship with their insurance agent when they move out of state.”

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 is a win-win for anybody who owns or sells an insurance product.

Poli continued, “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. We simply want to give the ‘option’ to producers to opt into a federal regulatory system if it makes sense for their business models. What could be better for the marketplace than that?”

*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 1,000 members nationwide.*