

Congress of the United States
Washington, DC 20515

June 16, 2009

The Honorable Timothy F. Geithner
Secretary of Treasury
U.S. Department of Treasury
Washington, D.C. 20220

The Honorable Lawrence Summers
Director, National Economic Council
The White House
Washington, D.C. 20500

Dear Secretary Geithner and Director Summers:

As you and others on the Administration's economic team prepare to provide policymakers with concrete suggestions to modernize our financial services sector and capital markets, we write to emphasize our belief that modernizing the regulation of the insurance sector should be part of your proposal.

As you know, insurance products and rates have been regulated by individual state and territorial entities since the 1850s. In the mid-19th century, a fragmented structure made sense; in the early 21st century it does not. Because of state-based regulation, our insurance market which is global in scope, has struggled with product innovation and improving market inefficiencies.

In addition, the failure of AIG highlights the fact that state-based regulation does not have all the tools necessary to adequately oversee our nation's insurance market and many of the institutions that operate within it. We understand well the complexities involved in determining the best way to regulate insurers who operate nationwide and throughout the world going forward. Nevertheless, we hope that your proposal will explicitly indicate the Administration's interest in the modernization of regulations for insurers and agents whose clients and customers could best be served by a national regulator.

Sincerely,












