

**Congress of the United States**  
**Washington, DC 20515**

## *Where We All Can Agree on Insurance Reform*

April 30, 2008

Dear Colleague,

What is striking about the recent debate on insurance regulatory reform is how much agreement exists among all parties involved. Everyone from regulators, insurance customers, agents and brokers, and wide variety of insurance companies agree upon two central points: the current state-based system is in need of modernization and some form of federal intervention is needed to achieve the desired reforms.

The NAIC has repeatedly acknowledged the need for reform as well as a federal role in insurance regulation. When asked at the October 3, 2007 Capital Markets Subcommittee hearing if Congress should be working on legislation to help solve the problem that we have in insurance regulation, NAIC President Walter Bell agreed with the other witnesses that there is a need for a federal role. At an earlier point in the hearing Mr. Bell also acknowledged that “the states came for some federal tools to do certain things” - clearly an admission that the NAIC cannot achieve reform on its own and that congressional intervention is needed.

Again at last week’s Capital Markets hearing NY Insurance Commissioner Eric Dinallo, testifying on behalf of the NAIC, recognized that the state system needs reform. Former insurance commissioner Larry Mirel at the same hearing testified in favor of a federal solution for self insurers. The self-insurers face significant burdens complying with over 50 different product approval and oversight laws and are now seeking a federal solution. Mr. Mirel eloquently summarized their dilemma in this way:

It is important to point out that there is a real problem with the current way we regulate insurance in this country—and I say this as a former state insurance regulator: It is difficult to justify the expense and hassle that a multi-state insurance company has to go through to offer the same or similar products throughout the United States. This duplicative and overlapping review of the same products and the same services by 55 separate insurance commissioners makes little sense.

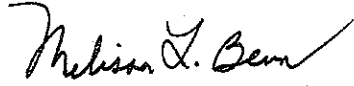
In this Congress alone, the brokers, agents and other stakeholders have all sought redress via federal legislation as a result of difficulties with different aspects of the overlapping and burdensome state insurance regulatory system.

While each stakeholder recognizes the need for reform in their particular area, there is only one bill comprehensive enough to include the reforms sought by insurance customers, agents, producers and companies: the National Insurance Act, HR 3200.

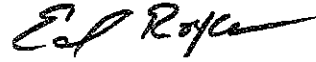
Earlier this Congress we introduced this legislation which would create an optional federal charter and provide a viable alternative to the current state-based regulatory system.

We urge you to become a cosponsor of this important legislation. If you would like to cosponsor the National Insurance Act or to request additional information, please contact Elizabeth Hart with Representative Bean at 5-3711, or Michael Ahern with Representative Royce at 5-4111.

Sincerely,



Melissa L. Bean  
Member of Congress



Ed Royce  
Member of Congress