

Congress of the United States

Washington, DC 20515

***Cosponsor the National Insurance Act***

*Treasury report says 135-year-old regulatory system needs reform*

April 1, 2008

*Much like other financial services, over time the business of providing insurance has moved to a more national focus even within the state-based regulatory structure. The inherent nature of a state-based regulatory system makes the process of developing national products cumbersome and more costly, directly impacting the competitiveness of U.S. insurers.*

***-- Treasury's Blueprint for a Modernized Financial Regulatory Structure***

Dear Colleague:

As you may know, yesterday the Treasury Department released their plan to modernize and improve oversight of our financial services sector. A major aspect of the proposal calls for the establishment of an optional federal charter for insurance.

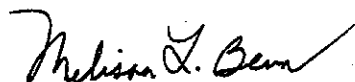
Our nation's economic preeminence in the world hinges upon its global leadership in capital markets. The Treasury report follows the Schumer/Bloomberg report and a report by the U.S. Chamber's bipartisan commission, all of which make the compelling case to update our insurance regulatory environment. An optional federal charter will improve efficiencies, which will enhance consumer choice and industry competitiveness.

America's insured and insurers have had to operate under an outdated and duplicative regulatory system consisting of individual state regulators for over 135 years. As a result, fewer insurance products are available nationwide and the products that are available reflect the additional operating costs imposed by inefficient regulations.

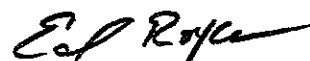
Earlier this Congress we introduced H.R. 3200, the National Insurance Act, which addresses many of the concerns Secretary Paulson expressed in his review. This legislation would create an optional federal charter and provide a viable alternative to the current state-based regulatory system.

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