

# STATEMENT

FOR IMMEDIATE RELEASE



"Simplifying Regulation for Agents and Brokers..."



WASHINGTON, D.C., March 22, 2007 -- The Optional Federal Charter Coalition praised leading members of the Senate Banking Committee and House Financial Services Committee for announcing their intention to hold hearings on the vital issue of reform of the state-based insurance regulatory system.

In letters to Sens. Chris Dodd (D-CT) and Richard Shelby (R-AL), and to Reps. Paul Kanjorski (D-PA) and Deborah Pryce (R-OH), the Coalition emphasized its continued support for the National Insurance Act, legislation introduced last year by Senators Tim Johnson (D-SD) and John Sununu (R-NH) and Rep. Ed Royce (R-CA) that proposes an optional federal charter regulatory system. The National Insurance Act—S. 2509 and H.R. 6225 in the 109th Congress—would bring about long-overdue reforms of insurance regulation. The coalition looks forward to the introduction of similar legislation this year.

Insurance is a global industry, yet it continues to function in the U.S. under 51 separate regulatory regimes. This patchwork system of inconsistent and inefficient regulation inhibits product innovation and imposes unnecessary costs that are ultimately borne by consumers. Insurance is the only sector of the financial services industry that has not undergone regulatory modernization. By contrast, regulation of banking and securities was modernized some 10 years ago.

Sen. Dodd chairs the Senate Banking Committee, which has jurisdiction over insurance regulation. Sen. Shelby is the senior Republican on the committee. Rep. Kanjorski chairs the House Financial Services Subcommittee on Capital Markets, Insurance and Government-Sponsored Enterprises. Rep. Pryce is the senior Republican on the subcommittee.

*The OFCC represents the largest and most diverse group to push for a modernized insurance regulatory system. Trade group members include Agents for Change, American Bankers Association, American Bankers Insurance Association, American Council of Life Insurers, American Insurance Association, The Council of Insurance Agents and Brokers, The Financial Services Forum, The Financial Services Roundtable, the Life Insurers Council, the National Association of Independent Life Brokers and the Reinsurance Association of America..*

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