



“Simplifying Regulation for Agents and Brokers...”

FOR IMMEDIATE RELEASE  
September 28, 2006  
Contact: Peter Ludgin, (202) 589-1929

## **Agents for Change Praises Representative Ed Royce for Introducing Optional Federal Charter Legislation**

Agents for Change strongly praises Representative Ed Royce (R-CA) for introducing the National Insurance Act of 2006 (H.R. 6225). The bill, which would create an optional federal charter (OFC), is companion legislation to S.2509 introduced by Senators John Sununu (R-NH) and Tim Johnson (D-SD) on April 5, 2006.

“The legislation introduced today by Congressman Ed Royce (R-CA) is a very significant step forward in our effort to enact an OFC. The debate has now begun in both chambers of Congress in earnest and we have every reason to be optimistic about the future of insurance regulation reform in the 110<sup>th</sup> Congress,” said Robert Poli, Chairman of Agents for Change.

Similar to the Senate legislation, H.R. 6225 will help producers get out from under the onerous paperwork, excessive costs, and bureaucratic snafus that go hand-in-hand with the state regulatory system.

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 producers who want to serve customers across state lines. It also stymies consumers with limited product choices. Under an OFC more products will be offered in a more timely fashion because of diminished regulatory burdens.

“As we have said from day one, the most pressing reason to enact an OFC is for consumers -- not for producers,” continued Poli. “Our customers 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 Connecticut is not offered in New York and Massachusetts or why they may not be able to continue their relationship with their producer – who is oftentimes viewed as a trusted financial advisor -- 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. An OFC 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. This is about choice, open markets, and competition. What could be better for the insurance 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 3,000 members nationwide.*