



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

March 3, 2009

The Honorable Edward Royce  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Royce:

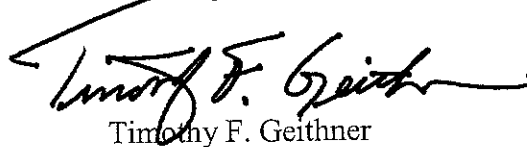
Thank you for your letter providing your views on the importance of insurance regulation in the overall regulatory structure of the United States.

Insurance companies play an important role in the overall American economy both as a capital market investor and by providing financial services to many Americans. As current circumstances have demonstrated, it is important that the Federal Government be positioned to understand and respond to the insurance sector's contribution to systemic risks affecting the financial system as a whole. As many insurers are systemically important financial institutions, clearly efforts are needed to modernize the insurance regulatory structure in the U.S. so that regulation is capable of addressing future issues important to not only the insurance industry itself, but also to the economy as a whole.

As the Treasury Department moves forward with developing proposals for overall financial institution regulatory structure, you can be assured that we will devote sufficient resources to analyzing issues associated with insurance regulation so that the Administration and Congress can have a full and open discussion about these important questions.

Thank you again for your views on this important issue. If I can be of any further assistance in the future please let me know.

Sincerely,



Timothy F. Geithner