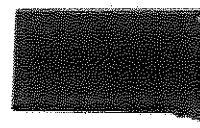


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As Banking Committee Examines Regulatory Reform, Johnson Calls for Insurance Modernization

Washington, DC—At a Senate Banking Committee hearing today, U.S. Senator Tim Johnson (D-SD) repeated his call to modernize insurance regulation as financial reform moves forward. Johnson, who has introduced legislation to overhaul insurance regulation during past Congresses, joined with colleagues in taking a hard look at proposals put forth by the Treasury Department.

“Insurance plays a key part in a functioning economy and it should have appropriate regulation. I remain concerned that the state-by-state regulatory system is outdated, inefficient, and bad for consumers,” said Johnson. “I am also deeply troubled that there remains no federal agency to collect data on insurance companies, products and risks, and to provide a voice on national insurance issues.”

During the last two Congresses, Johnson has crafted and introduced the *National Insurance Act* to create an Office of National Insurance and an optional federal insurance regulator to correct a highly fragmented, inconsistent and inefficient system of state-by-state regulation.

As the Senate’s main Democratic proponent of this reform, Johnson was especially pleased President Obama last month proposed the creation of the Office of National Insurance as part of larger reform efforts. The office would collect information, develop expertise, negotiate international agreements, and coordinate policy in the insurance sector.

“Especially with the economic volatility we have experienced, I am more convinced than ever that our insurance regulatory system is inefficient and ineffective. The Office of National Insurance would help address this issue and could be an important part of our reform effort.”

Witnesses at the hearing included Travis Plunkett, Legislative Director, the Consumer Federation of America; Baird Webel, Specialist in Financial Economics, Congressional Research Service; Hal Scott, Nomura Professor of International Financial Systems, Harvard Law School and Martin Grace, James S. Kemper Professor of Risk Management, Department of Risk Management & Insurance, Georgia State University.

As a senior member of the Banking Committee, Johnson has used his position to question the nation’s top regulators and representatives from the country’s largest banks as proposals move forward to improve the economy and make changes to the financial sector’s regulatory structure.

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For more information on Senator Tim Johnson visit his website at <http://johnson.senate.gov>.