

April 22, 2005

The Honorable John Sununu
United States Senate
Washington, D.C. 20510

Dear Senator Sununu:

We are writing to express our appreciation for your willingness to study the problems of the state insurance regulatory system and to consider an Optional Federal Charter as an appropriate solution to these problems. We are convinced that a comprehensive solution, establishing one set of uniform but optional national regulations, will be sufficient to provide those companies that choose it – and wish to pay for it - with the efficiency they seek.

A market-based Optional Federal Charter proposal would embrace the best of state insurance regulation and allow insurers, insurance agencies and insurance producers to take advantage of the regulatory flexibility banks have long enjoyed – the option of doing business under one set of national rules. By establishing this option the problems of state regulation - inconsistent and inefficient regulation, statutory barriers to product introduction and innovation, government rate regulation, inconsistent market conduct regulation, and a patchwork of other regulation – will finally be addressed.

The burden of having to operate under fifty-six separate insurance regulatory regimes is now too great for companies, agents and consumers whose interests are national in scope. Despite good intentions, the mechanism available to state regulators to modernize on their own is insufficient to the task at hand. An optional federal charter, and the federal oversight such a charter requires, will allow insurance regulation to modernize and catch up to the other financial services industries modernized under the Gramm-Leach-Bliley Act of 1999.

We appreciate the opportunity to work with you on this important issue and stand ready to assist in any manner you require.

Sincerely,



Rob Poli
Chairman
Agents for Change



Edward L. Yingling
Executive Vice President
American Bankers Association



Beth L. Climo
Executive Director
American Bankers Insurance Association



Frank Keating
President & CEO
American Council of Life Insurers



Robert E. Vagley
President
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Ken A. Crerar
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Steve Bartlett
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Rick Lazio
President & CEO
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