



“Simplifying Regulation for Agents and Brokers...”

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Agents for Change Commends Representatives Bean and Royce for Preparing Legislation to Create a National Insurance Regulator

Agents for Change strongly commends Representatives Melissa Bean (D-IL) and Ed Royce (R-CA) for preparing legislation, tentatively titled “The National Insurance Consumer Protection and Regulatory Modernization Act (NICPRMA),” to create a national insurance regulator.

Peter Ludgin, the executive director of Agents for Change, said, “For agents and brokers, the current state-based insurance regulatory system is broken. We are pleased that Representatives Bean and Royce continue to understand that the status quo is not an option.”

Ludgin continued, “Opponents of modernizing the 19th century state-based insurance regulatory system are scrambling. Their same old tired talking points, developed years ago, are not adding anything constructive to a real policy debate in light of the current crisis. Interest groups who think the insurance regulatory system should not be reformed to reflect the needs of 21st century consumers are missing the mark. And criticizing legislators for moving this debate forward is counterproductive to our shared goal of more efficient and effective regulation. Insurance regulation reform will happen; this train is pulling out of the station.”

Agents for Change would like to see additional details of the NICPRMA but is pleased that the legislative framework includes provisions to: (1) increase speed to market of products; (2) reform antiquated, costly, and time consuming licensure procedures; and (3) provide free market pricing. Moreover, creating a single point of contact for consumer concerns with one nationwide phone number and physical offices in all 50 states is a breakthrough proposal.

Ms. Bean and Mr. Royce, two highly respected members of Congress from opposite parties, said it best, “We can provide a more effective regulatory regime over insurance that will enhance consumer protections, ensure our capital markets are protected from systemic threats within the insurance sector, and address many of the problems that have resulted from the fragmented state-based system.”

Ludgin explained, “This is not about deregulation or a race to the bottom. Regulatory competition can be good. We are not looking to abolish or avoid stringent state regulation. We support very strong consumer protections across all states. Today, under the patchwork state-based system, some consumers endure weak consumer protection provisions solely because of where they live. Federal legislation will correct this.”

Agents for Change expects the NICPRMA to improve choice and competition in the marketplace, decrease bureaucracy and cost for agents and brokers who opt into a national system, protect consumers no matter where they live or move, and modernize insurance regulation. The NICPRMA has the potential to benefit everyone who buys or sells an insurance product.

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 modernize insurance regulation to allow producers the option of being regulated at either the federal or the state level. Agents for Change has over 6,500 members nationwide.