

May 17, 2010

The Honorable Patty Murray
The Honorable Susan Collins
United States Senate
Washington, D.C. 20510

Dear Senators Murray and Collins:

The National Conference of Insurance Legislators (NCOIL) writes to support your amendments to S. 3217, the *Restoring American Financial Stability Act of 2010*, to expand Financial Stability Oversight Council (FSOC) membership to state officials, if only in a non-voting capacity. We would also recommend that a state lawmaker be added to the FSOC, as it is legislators' responsibility to write insurance, banking, and securities statutes.

Involving state regulatory authorities is essential in any comprehensive overview of financial regulation. State insurance regulators obviously must play a central role in this framework, as they oversee the solvency of the insurance industry and gather enormous amounts of data critical to assessing financial market risk.

State legislators and regulators have always worked—and will continue to work together—to identify and prevent practices that adversely affect the welfare of our constituents and our industries. We, among all others, have the ability to recognize trends with the potential to impact the larger financial system.

It is not a new concept for insurance supervisors to collaborate for the greater good of the marketplace. For many years, state insurance regulators—in the U.S. through the National Association of Insurance Commissioners (NAIC) and globally through the International Association of Insurance Supervisors (IAIS)—have shared information and concerns.

As an organization of state legislators devoted to sound insurance public policy, NCOIL believes that any plan designed to monitor and control systemic risk should include a central role for state officials and should call for enhanced communication and collaboration among all regulators, both state and federal.

We thank you for respecting in your amendments the contributions that state officials can make to the FSOC. In order to see the big picture in financial services, access to and dissemination of a broad spectrum of data is key—including the expertise that state regulators have to offer.

Sincerely,



Rep. Robert Damron (KY)
NCOIL President

cc: U.S. Senate
NCOIL Legislators

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