

July 28, 2008

The Honorable Nancy Pelosi  
Office of the Speaker  
H-232, United States Capitol  
Washington, DC 20515

Dear Speaker Pelosi:

As officers and leadership in the National Conference of Insurance Legislators (NCOIL), we write to you to respectfully request that you require due process for H.R. 5840, the *Insurance Information Act of 2008*, and H.R. 5611, the *National Association or Registered Agents and Brokers Reform Act of 2008*, **before** permitting their consideration on the House floor. The bills—which are scheduled for a vote this week—have only been voted on by fewer than 15 members of the 50-member Subcommittee on Capitol Markets, Insurance, and Government Sponsored Enterprises. The full Committee on Financial Services has **not** debated or marked-up the legislation.

Granting H.R. 5840 and H.R. 5611 the prestigious honor of being debated by the full House, and probably approved because of their appearance on the suspension calendar, would signal to the 111<sup>th</sup> Congress that the Acts represent sound public policy. That could significantly weaken the very real concerns that have been relayed about the proposals. State legislators are united in our **strong opposition** to H.R. 5840, which, we believe, would likely disrupt the healthy insurance marketplace that states have built, preempt state insurance laws and their related consumer protections, and potentially lead to the creation of yet another costly and duplicative federal insurance bureaucracy.

Regarding H.R. 5611, we understand that constitutional questions may exist regarding whether a private, non-profit organization, which would be established by the legislation, has the constitutional authority to preempt state laws and regulations. This issue, among others, was discussed with insurance industry representatives and state insurance regulators at the recent NCOIL Summer Meeting.

We question the need to bring H.R. 5840 and H.R. 5611 to the floor so quickly—they were reported favorably by the Capital Markets Subcommittee on July 9—given that few members of the House have voted on the proposal and that there is little chance of either becoming law in 2008. The Senate will only begin its review of insurance regulation during a July 29 hearing, and companion legislation to H.R. 5840 or H.R. 5611 does not exist at this time.

NCOIL strongly supports the tenets of a state-based system of insurance regulation, which Congress has acknowledged for so many years. On the ground in the states, legislators and regulators work side-by-side to improve insurance regulation and to ensure that companies and consumers benefit from the competitive marketplace we have fostered. The insurance market has not experienced the same crises currently facing the banking industry—which is primarily regulated at the federal level.

Success of state-based modernization efforts—such as speed-to-market for life insurance products provided by the Interstate Insurance Product Regulation Compact—evidences this. The Compact Commission comprises 33 member jurisdictions, within the short span of two years since it became operational.

H.R. 5840 and H.R. 5611 are legislative proposals that, individually, have not been introduced during any previous session. The bills were introduced in early 2008 and have been discussed in no more than three public hearings. They have been voted on only once, by a Subcommittee that had far less than fifty percent (50%) of its members present. No Senate companion bills exist. The bills are by no means non-controversial—as they would drastically restructure the state-based insurance regulatory regime.

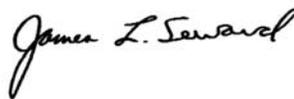
NCOIL believes that the United States House of Representatives should exercise due process and refuse to consider H.R. 5840 and/or H.R. 5611 until they are further vetted. Congress has important issues on its agenda including packages to address the current homeowner's and subprime mortgage crises, and should not exercise its lawmaking powers to approve non-essential legislation that has been fast-tracked through the legislature without due process. We ask that you, Madame Speaker, refuse to call H.R. 5840 and 5611 for a vote before Congress adjourns.

Thank you for your time and consideration on this matter.

Sincerely,



Rep. Brian Patrick Kennedy (RI)  
NCOIL President



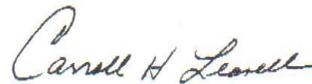
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cc: U.S. House of Representatives  
NCOIL Executive Committee