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**NCOIL'S REP. EILAND TO HOUSE SUBCOMMITTEE:
STATE REGULATION CONTINUES TO EVOLVE WITH MARKET**

Washington, DC, October 30, 2007 — National Conference of Insurance Legislators (NCOIL) Past President and current State-Federal Relations Committee chair Representative Craig Eiland (TX) advised members of the U.S. House Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises that insurance consumers and marketplaces are well-served by state regulation, which states will continue to tailor to respond to market needs.

While acknowledging that certain aspects of the market were in need of regulatory reform—including speed-to-market, rate and form approval, market conduct, and agent and company licensing—Rep. Eiland was confident in states' ability to evolve with the market. In his testimony, he said, "NCOIL believes that states have a winning track record in their role as what former Supreme Court Justice Louis Brandeis aptly called 'laboratories of democracy,'" and he cautioned members that critics of state regulation have trivialized state progress.

Testifying as the lone government witness during the October 30 hearing, Rep. Eiland affirmed that state efforts have fostered a "dynamic and competitive insurance marketplace." He said, "Our states are major players in the global insurance economy. Twenty-six of the top 50 insurance markets in the world are located in the U.S."

Rep. Eiland argued in his testimony that the "tried and true system" of state regulation created an environment where "consumers receive the highest possible degree of protection, products are accessible and affordable, competition thrives, and companies can bring innovative products to the market quickly to meet consumer demands."

Rep. Eiland emphasized the benefits of state regulation for insurance consumers. He said, "State legislatures, regulators, and attorneys general have responded to their constituents' needs and have developed oversight to states' unique market demands... state regulation also—through safety nets like guaranty funds and residual market mechanisms—protects the rights of claimants

whose insurance companies have failed and ensures that consumers who otherwise could not secure coverage may do so.”

Quoting the old adage “if it ain’t broke, don’t fix it,” Rep. Eiland recommended that “the federal government should not burden itself with overseeing a new entity when states have readily accepted and successfully governed the business of insurance.”

Entitled *Additional Perspectives on the Need for Insurance Regulatory Reform*, the hearing was the second in a series of three designed to reach consensus on how to modernize insurance regulation.

In announcing the hearing, Subcommittee chair Congressman Paul Kanjorski (D-PA) said, “Our initial hearing reiterated my belief that insurance regulation remains a complex issue in need of reform. I look forward to hearing from more of the key participants involved in insurance transactions during our second hearing...Taking into consideration the views of all parties involved in and affected by insurance constitutes an important step before taking any action. These hearings will help the Subcommittee to devise the most beneficial and practical policy decisions for consumers of insurance products.”

Joining Rep. Eiland on the panel were former NAIC President Alessandro Iuppa, who testified on behalf of the Financial Services Roundtable, Bob Hunter of the Consumer Federation of America, Frank Nutter of the Reinsurance Association of America, Scott Gilliam of The Cincinnati Insurance Companies, and John W. Felton, who testified on behalf of the National Association of Independent Life Brokerage Agencies.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

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