

## FOR IMMEDIATE RELEASE

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### NCOIL SAYS NO TO FIO, VOICES CONCERNS WITH H.R. 4173

**Washington, DC, December 10, 2009** — National Conference of Insurance Legislators (NCOIL) President Rep. Robert Damron (KY) wrote House Speaker Nancy Pelosi (D-CA) this morning to outline NCOIL concerns with H.R. 4173, the *Wall Street Reform and Consumer Protection Act of 2009*, and to indicate NCOIL strong opposition to a Federal Insurance Office (FIO).

“While NCOIL understands the need to address concerns related to banking and securities—areas in which lack of regulation and/or deregulation contributed significantly to the recent financial crisis,” he wrote that NCOIL believes that insurance regulation “should not be co-opted into the proposed bureaucracy envisioned in the legislation.”

Noting that state officials are provided a limited, nonvoting, role on a proposed Financial Services Oversight Council (FSOC), the letter continued, “NCOIL realizes enhanced communication and information sharing between state and federal regulators regarding financial market risk is a must. We believe that state and federal regulators—including state banking, insurance, and securities officials—should be treated equally on any systemic risk council.”

Rep. Damron’s letter said:

NCOIL opposes the creation of a federal insurance office under Title VI. If we enhance communication between state and federal regulators, there is little need for an FIO. What an FIO *would do* is lead to federal insurance regulation and federal insurance chartering. NCOIL has little doubt that the FIO would quickly expand into a federal insurance bureaucracy—despite the best efforts of the concept’s original sponsors.

In no uncertain terms, and citing the primary reason prompting NCOIL opposition to the legislation, Rep. Damron wrote, “Title VI is a nonstarter for state legislators. We request that if H.R. 4173 is passed that it be passed without the provisions of the FIO.” As drafted, H.R. 4173 includes FIO language in Title VI of the more than 1,200-page bill.

Regarding a proposed Consumer Financial Protection Agency (CFPA), the letter says, “NCOIL appreciates efforts of the HFSC and sponsors of additional pending amendments to H.R. 4173 that would appropriately exempt insurance from the CFPA’s scope” and notes that “we believe the approved and

proposed amendments clarify the important role of state oversight.” Rep. Damron added, “Insurance consumers are currently protected from fraud and abuse by a comprehensive set of state laws and regulations.”

House members are expected to vote on H.R. 4173 tomorrow after completing consideration of 36 amendments that were reported out of the Rules Committee.

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](http://www.ncoil.org).

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