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NCOIL THANKS SPEAKER PELOSI, CONGRESSWOMAN SPEIER, REBUTS AIG-OFC LINKS

Washington, DC, September 19, 2008 — The National Conference of Insurance Legislators (NCOIL) today thanked House Speaker Congresswoman Nancy Pelosi (D-CA) for removing preemptive House bill H.R. 5840, the *Insurance Information Act*, from the September 17 suspension calendar. NCOIL Officers, in the September 19 letter, said that they shared Congresswoman Jackie Speier's (D-CA) concerns regarding H.R. 5840, and sought to "correct what we believe are disingenuous remarks made by certain industry representatives, which link the need for the legislation with the recent American International Group (AIG) financial crisis."

Along with NCOIL President Rep. Brian Patrick Kennedy (RI), NCOIL Officers—President Elect Sen. James Seward (NY), Vice President Rep. Robert Damron (KY), Secretary George Keiser (ND), and Treasurer Sen. Carroll Leavell (NM)—asserted that "regulatory failures related to AIG had little to do with state insurance regulation and much to do with lax federal oversight." Regarding H.R. 5840, the letter said that "We agree with Congresswoman Speier that state laws protect consumers well and that the bill is nothing more than a 'fig leaf' for efforts to establish a federal insurance regulatory system."

The letter to Speaker Pelosi said:

"We support the position of California nonprofit Consumer Watchdog and the Council Opposed to a Federal Insurance Regulator (COFIR) that there is no relationship between the AIG failure and the current state insurance regulatory system. AIG losses were suffered by its financial products division, not its insurance operations. Legislators, regulators, and consumer representatives alike agree that the state system should not serve as a whipping boy for federal agency shortcomings."

NCOIL Officers wrote, "States have regulated insurance wisely for more than 135 years, and our consumer protection laws and company financial requirements are first-class. In fact, AIG's insurance subsidiaries—which are regulated at the state level—are generally considered as one of the company's most attractive and valuable assets."

The NCOIL letter—a copy of which was sent to Congresswoman Speier and other Members of the House—also asserted that H.R. 5840 had "not enjoyed due process in Congress" and that it "raises many more questions than it seeks to answer."

H.R. 5840 appeared on the House suspension calendar on Wednesday, September 17. The suspension calendar is generally reserved for “non-controversial” legislation as points of order and other procedural requirements for consideration are waived, amendments are not permitted, and debate is limited. Suspension bills require a two-thirds (2/3) vote to pass.

The letter followed a September 12 letter from NCOIL Officers to Speaker Pelosi in which NCOIL leadership reiterated long-standing concerns with H.R. 5840.

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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