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NCOIL APPLAUDS PASSAGE & PRESIDENT’S SIGNING OF DODD-FRANK REFORM BILL

Bipartisan Bill Provides Regulatory Relief to Community Banks, Increases Transparency in International Insurance Standard-Setting Activities

Manasquan, NJ – The National Council of Insurance Legislators (NCOIL) applauded the passage and signing of S.2155, The Economic Growth, Regulatory Relief, and Consumer Protection Act, by President Trump last week. The law garnered bipartisan support in both chambers of Congress and contains several provisions on topics that NCOIL has been closely monitoring and discussing.

The provisions in the law garnering the most attention are those that aim to provide regulatory relief to community banks so that they can dedicate more resources towards serving the financial needs of consumers rather than compliance officers.

In July 2017, NCOIL adopted a Resolution “In Support of an Exemption for Community Banks from Onerous and Unnecessary Regulations” – sponsored by Indiana Senator Travis Holdman, NCOIL Immediate Past President.

“Community banks have been disappearing because of the cost of compliance with hundreds of regulations, most of which should never have been applicable to community banks in the first place,” said Senator Holdman. “It was the large banks that engaged in the risky behavior that contributed to the financial crisis of 2007-2008, and community banks unfairly ended up being viewed through the same regulatory lens of agencies such as the Consumer Financial Protection Bureau. This law will help usher back in an era in which community banks thrive and benefit their local communities.”

The law also contains a section that requires increased transparency in international insurance discussions and requires Federal officials to achieve consensus positions with state insurance regulators when negotiating insurance issues on international forums.

“As someone who served formerly as both Banking & Insurance Commissioner in my state (NJ), I can speak to the important steps this legislation takes in both areas,” said NCOIL CEO Tom Considine. “Dodd-Frank should have contained a broad exemption for community banks at the time it was drafted; and, as we saw from the recent negotiations surrounding the insurance Covered Agreement, the very officials who regulate insurance in this country were essentially locked out,” he continued. “While this legislation is far from perfect, it is a good first step,” Considine concluded.

“I am pleased to see that the President has signed this law,” stated Arkansas Senator Jason Rapert, NCOIL President. “The negotiation process surrounding the Covered Agreement was fundamentally flawed and it is good to see that Congress and the President have realized that and taken steps to improve the overall process of international insurance discussions. Work still needs to be done to ensure that state insurance legislators are part of international insurance discussions, but overall, this section of the law serves to preserve and protect the state-based system of insurance regulation – a cause that NCOIL will always support.”

The text of S.2155 can be viewed here - <https://www.congress.gov/bill/115th-congress/senate-bill/2155/text?locId=cga-bill#toc-id0E7DF00F49224D25B2F39A07700D0F8A> – and the Resolution can be viewed here - <http://ncoil.org/wp-content/uploads/2017/07/community-bank-resolution-d2-2-6-17-1-4-7-15-17.pdf>

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NCOIL is a national legislative organization comprised principally of legislators serving on state insurance and financial institutions committees around the nation. NCOIL writes Model Laws in insurance and financial services, works to both preserve the state jurisdiction over insurance as established by the McCarran-Ferguson Act seventy years ago and to serve as an educational forum for public policy makers and interested parties. Founded in 1969, NCOIL works to assert the prerogative of legislators in making state policy when it comes to insurance and educate state legislators on current and perennial insurance issues.