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NCOIL SEEKS REGULATORY FIX FOLLOWING FINANCIAL MELTDOWN

Washington, DC, November 6, 2008 — Lawmakers from across the country will converge at the National Conference of Insurance Legislators (NCOIL) Annual Meeting in Florida later this month to consider ways to turn around an ailing economy and to map out a regulatory structure for the future. Legislators and other financial authorities will meet on November 22 at a blue-ribbon panel entitled *U.S. In Financial Crisis: Where Do We Go From Here?*.

NCOIL President Rep. Brian Patrick Kennedy, RI, said “With stock prices plummeting, credit markets freezing, and the federal government investing in private financial service companies just to keep them afloat, state legislators are looking for the light at the end of the tunnel. Congress would be best served to look to the state-regulated AIG insurance sectors that held strong rather than to the federally regulated divisions that led to our present crisis on Wall Street. We at NCOIL plan to encourage use of the states’ effective mitigation efforts and discourage adding more bureaucracy to a federal system that in large part served as a breeding ground that produced the current crisis.”

NCOIL has assembled the panel of experts to investigate options for better oversight of financial services sectors and for enhanced communication between regulatory authorities. Lawmakers will look to take lessons from the historically strong, and state-regulated, insurance markets, as well as turn an eye to the global nature of the crisis and explore the interplay between various regulatory systems.

Participating in the roundtable—scheduled from 10:00 to 11:45 a.m.—will be Robert Easton, Deputy Superintendent and General Counsel of the New York State Department of Insurance; Carmen Balber of Consumer Watchdog; Doug Barnert of the Group of North American Insurance Enterprises (GNAIE); John Brown representing the Coalition Opposed to a Federal Insurance Regulator (COFIR); and Kevin McKechnie, Executive Director of the American Bankers Insurance Association (ABIA) and a leader of the Optional Federal Charter Coalition.

Witnesses and legislators will discuss factors that contributed to collapse of financial services giants, including Bear Stearns and Lehman Brothers, and regulatory systems that may have failed. Credit default swaps, an optional federal charter (OFC) for insurance, and review of past federal legislation, including the Glass-Steagall and Gramm-Leach-Bliley Acts, may be hashed out as panelists and legislators consider what shape financial reform should take.

Several sessions regarding the financial crisis will precede Saturday’s roundtable event. On Thursday, November 20, the NCOIL Financial Services & Investment Products Committee will discuss what led to the federal bailout of financial services conglomerate American International Group (AIG). The NCOIL

Institute for Insurance Policy will host a legislators' luncheon workshop—also on Thursday—entitled *Understanding the Basics: Derivatives, Credit Default Swaps, and Other Financial Instruments*.

The following afternoon, Howard Shapiro of Fox-Pitt Kelton Cochran Caronia Waller will deliver a keynote luncheon address entitled *U.S. Mortgage & Specialty Finance: No Place to Hide*. Mr. Shapiro will outline the causes of today's financial crisis, including issues surrounding recent growth in the housing market and consequences for financial services firms.

The NCOIL Meeting could not be timelier as it falls only days after Congress will reconvene in a lame-duck session to debate a second economic stimulus package. The House Committee on Oversight and Government Reform will debate the role of Government Sponsored Enterprises Fannie Mae and Freddie Mac. The House Committee on Financial Services has scheduled a hearing on the status of the recently passed federal bailout package.

The NCOIL Annual Meeting will be held at the Hawk's Cay Resort in Duck Key, Florida.

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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