

## FOR IMMEDIATE RELEASE

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### NCOIL TO FRANK: LESSONS TO BE LEARNED FROM STATE INSURANCE MODEL

**Washington, DC, October 20, 2008**—The National Conference of Insurance Legislators (NCOIL) today, while recognizing Congressman Barney Frank for his review of financial services regulation, cautioned that any proposed reforms should not stand in the way of strong state oversight—oversight that protected insurers from the fate that recently befell other financial services sectors. NCOIL asserted that state safeguards would better serve as a model for reform than untested federal proposals, including that of an optional federal charter.

Along with NCOIL President Rep. Brian Patrick Kennedy (RI), NCOIL Officers—President Elect Sen. James Seward (NY), Vice President Rep. Robert Damron (KY), Secretary Rep. George Keiser (ND), and Treasurer Sen. Carroll Leavell (NM)—emphasized that “The failures of financial giants Lehman Brothers and the financial services side of American International Group (AIG), among others, prove that there are deficiencies in the current federal financial regulatory system and there is a need for Congress to examine the role of federal agencies that should have foreseen many of the problems that occurred to the financial marketplace.”

The letter to Rep. Frank (D-MA), chair of the U.S. House Committee on Financial Services, said:

“The stability of state-regulated insurance companies during this ongoing financial crisis, as compared to other financial sectors, demonstrates the effectiveness of our State insurance laws and regulations. While finger-pointing will not repair the problems with the present system, we are proud to note that state-regulated insurers were largely unharmed when compared to federally regulated banking and investment institutions.”

NCOIL Officers wrote, “State legislators and regulators have facilitated a prosperous 21<sup>st</sup> century regulatory system that we continue to improve and modernize. Our states are major players in the global insurance economy, with 26 of the top 50 insurance markets in the world being situated in the U.S.”

The letter—a copy of which was sent to Members of the House Financial Services and Senate Banking Committees—also assert that “NCOIL and our regulatory counterparts at the National Association of Insurance Commissioners (NAIC) are actively working to modernize insurance regulation, including speed-to-market for life products, rate and form filing, market conduct examinations, and agent and company licensing, among other initiatives.”

—MORE—

Failures at Wachovia, Bear Stearns, Lehman Brothers and AIG, and the broader financial crisis will take center stage at next month's NCOIL Annual Meeting. On November 22, an NCOIL general session entitled *U.S. In Financial Crisis: Where Do We Go From Here?* will address factors that contributed to the collapse of financial services institutions and the audience will hear various perspectives on how financial reform should be shaped.

During a November 20 NCOIL Financial Services and Investment Products Committee meeting, legislators will lead a discussion on federal efforts regarding AIG and other financial services companies. A November 21 State-Federal Relations Committee meeting will highlight the close of the 2008 legislative session and address what to expect from Congress in 2009.

The NCOIL Annual Meeting will be held at the Hawk's Cay Resort in Duck Key, Florida, on November 19 through 23.

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).

For further details, please contact the NCOIL Washington, DC Office at 202-220-3014, or by email at [mhumphreys@ncoil.org](mailto:mhumphreys@ncoil.org).

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