

# GENERAL MEDIA ADVISORY

## CONTACT:BOB MACKIN

## JENN O’CONNOR

## (518) 449-3210joconnor@ncoil.org

#

# NCOIL PRESIDENT ADDRESSES LIFE INSURANCE INDUSTRY

**Albany, New York, May 10, 2002** – Sen. William J. Larkin, Jr. (NY), president of the National Conference of Insurance Legislators (NCOIL), said yesterday that “states are focused as never before on the dual goals of financial modernization and market conduct reform.”  He delivered his remarks at the PricewaterhouseCoopers (PWC) 12thAnnual Executive Conference for the Life Insurance Industry at The Plaza Hotel in New York City.

Sen. Larkin joined Hank Greenberg, chairman and CEO of American International Group (AIG); Sy Sternberg, chairman, president and CEO of New York Life; Iowa Insurance Commissioner Therese Vaughan; and New York Insurance Superintendent Greg Serio, who spoke on “New Challenges – Innovative Solutions.”

Addressing more than 130 senior managers, Sen. Larkin said that NCOIL was endeavoring “…to streamline and simplify insurance regulation.  NCOIL is working with the NAIC and the NCSL to develop a united front to achieve one-stop-shopping for insurance policy form approvals through an interstate compact.  There is a strong resolve among the three organizations of state officials to get the job done so that we can begin working for adoption of compact legislation early in 2003.  At the same time NCOIL, through its Insurance Legislators Foundation (ILF), is about to begin a six-month study aimed at identifying the goals of market conduct regulation and developing ways to achieve those goals.  The study will lead to a clear and precise plan for changing market conduct regulation through constructive public policy reform.”

Larkin said the states had already made significant progress toward modernizing insurance regulation and addressing reciprocity of insurance agents and brokers.  He said, “Thirty-nine states have adopted compliant reciprocity provisions consistent with the NAIC’s producer licensing model law.  That beat the Gramm-Leach-Bliley deadline by more than a year.”

Larkin added that NCOIL continues to absolutely oppose the concept of optional federal, or dual, chartering.  He stressed that dual chartering was not in the interest of either the industry or consumers, and said that the states were better qualified to handle regulation than the federal government.  Regarding the costs of dual chartering, he said, “It would take hundreds of millions to set up a new federal insurance bureaucracy and billions more in lobbying fees and court costs that would result from the confusion and turf wars that a dual system would produce.”

Sen. Larkin also spoke of the effect that the terrorist attacks of September 11 have had on the insurance industry and stated that another attack would be “devastating.”  He stressed that NCOIL was the first national legislative organization to voice support for a limited, temporary, federal reinsurance backstop and said that it would continue to support the passage of such legislation.

NCOIL is an organization of state legislators whose main area of public policy concern is insurance legislation and regulation.  Many legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country.