

November 3, 2022

Senator Bob Hackett (OH)
Chair, Financial Services Committee
National Council of Insurance Legislators ("NCOIL")
2317 NJ-34 #2b
Manasquan, NJ 08736

Re: Kroll Bond Rating Agency, LLC ("KBRA"): Model Act to Support State Regulation of Insurance by Requiring Competition among Insurance Rating Agencies – Readoption

Dear Senator Hackett,

Thank you for the opportunity to comment on the readoption of NCOIL's Model Act to Support State Regulation of Insurance by Requiring Competition Among Rating Agencies, adopted by the NCOIL Financial Services Committee on November 16, 2017.

KBRA is a global, full-service credit rating agency, registered as a Nationally Recognized Statistical Rating Organization with the U.S. Securities and Exchange Commission and designated as a Designated Rating Organization with the Ontario Securities Commission for Structured Finance. KBRA's European affiliate ("KBRA Europe") is registered as a credit rating agency ("CRA") with the European Securities and Markets Authority ("ESMA") and is an external credit assessment institution by the European Banking Authority. KBRA's United Kingdom ("UK") affiliate ("KBRA UK") is registered with the UK Financial Conduct Authority pursuant the Temporary Registration Regime as a CRA. Today, KBRA has 500+ employees with over 60,000 ratings issued, more than 4300 rated entities, and \$3.16Tn in rating issuance...and growing.

KBRA embraces competition in the credit rating industry from other regulated CRAs and believes in the spirit of the Model Act, including the proposed amended language in "Section 3. Definitions." Competition and transparency are key components to maintaining a healthy industry. By readopting this model act NCOIL is protecting policy holders and/or creditors by preventing over-reliance on any one rating agency (or a small number of credit rating agencies) and prevents an unchallenged oligopoly.

In closing, KBRA supports NCOIL and its goal of increasing competition for the benefit of consumers, duly licensed insurance companies, producers, and other third-party stakeholders via readoption of this model act.

We support the readoption of the model act (with amendments as proposed).

Thank you for your time and consideration.

Sincerely,



Jim Nadler
President & CEO

Cc:

President: Asm. Ken Cooley (CA)
National Council of Insurance Legislators

William Melofchik, Esq.
General Counsel
National Council of Insurance Legislators