Insurance Regulatory Reform

The Big "I" urges Congress to:

- *Support significantly restricting or eliminating the Federal Insurance Office (FIO) and urges members of the House to co-sponsor H.R. 3861 the "Federal Insurance Office Reform Act" by Reps. Sean Duffy (R-WI) and Denny Heck (D-WA) or H.R. 4483 the "Federal Insurance Office Abolishment Act" by Rep. Alex Mooney (R-WV).*
- *Oppose the erosion of state-based insurance regulation in any international insurance negotiations.*
- *Support the appointment of a Board of Directors for the National Association of Registered Agents and Brokers (NARAB).*

Under the McCarran-Ferguson Act, states are the primary regulators of the business of insurance, including independent insurance agents and brokers. Agents and brokers are licensed and regulated by states to sell insurance products on behalf of insurers. State-based insurance regulation offers considerable benefits including in the vital areas of insurer solvency and consumer protection. For decades, the Big "I" has been a leading supporter of state insurance regulation. The association strongly opposes any form of federal regulation of insurance, whether optional, mandatory or dual. The Big "I" believes that the attributes of the state-based system outweigh any perceived inefficiencies, but that the system must be modernized as the marketplace evolves.

The Big "I" supports significantly restricting or eliminating the FIO and urges members of the House to co-sponsor H.R. 3861 or H.R. 4483.

The FIO, which was created by the Dodd-Frank Wall Street Reform and Consumer Protection Act, has proven over the years to have questionable value for insurance markets and consumers**.** The Big "I" supports significantly restricting or eliminating the FIO. As such, the Big "I" supports H.R. 3861 to limit the authority of the FIO and H.R. 4483 to eliminate the FIO.

The Big "I" opposes the erosion of state-based insurance regulation in any international insurance negotiations.

The Big "I" is concerned that some federal and international efforts could lead to an erosion of state-based insurance regulation and consumer protection. As such, the association supports legislative efforts to install stronger procedural guidelines for federal officials in international insurance negotiations and increase transparency and congressional oversight of international deliberations related to insurance. The Big "I" also supports ensuring that state insurance regulators are involved in any insurance policy discussions occurring at the international level. As such, the Big "I" supports H.R. 4537, the "International Insurance Standards Act" by Reps. Duffy and Heck and S. 1360, the "International Insurance Capital Standards Accountability Act" by Sens. Dean Heller (R-NV) and Jon Tester (D-MT). Language similar to S. 1360 was included in S. 2155, a banking reform bill that passed the Senate in March.

The Big "I" supports the appointment of a Board of Directors for NARAB.

NARAB was authorized by Congress in 2015 but is not yet operational. Once operational, NARAB will be a portal that enables insurance agents and agencies wishing to join NARAB to satisfy licensing requirements across multiple states, while still maintaining state consumer protection requirements and regulatory oversight. NARAB will be a non-governmental entity overseen by a Board of Directors who are appointed by the President and confirmed by the Senate. The Big "I" urges Congress to request that the Administration place a high priority on appointing the NARAB Board. After a lengthy process in 2016, the White House submitted some candidates for the Board. However, the Senate failed to confirm the nominees before the election and the resulting change in administrations has slowed the process. NARAB nominees must be resubmitted to the Senate Banking Committee, but the new Administration has yet to submit any nominees as it works to fill higher level positions.