



Help Protect Your Constituents By Supporting State Regulation of Insurance

August 2017

What Agents Do

Professional insurance agents play a critical role in counseling their clients on insurance options. They provide strong protection for consumers by playing a key role within the state regulatory framework, which provides strict oversight to prevent fraudulent practices.

For over 150 years, America's state-based system of insurance regulation has worked well by protecting consumers and, at the same time, creating a competitive, robust, and diverse insurance marketplace. As such, PIA opposes any federal or international effort that would undermine our highly successful state-based system of insurance regulation. This includes recent recommendations to repeal McCarran-Ferguson for healthcare as proposed in House healthcare reform proposals.

The Issue: Protecting State Regulation of Insurance

The Federal Insurance Office (FIO) was created in 2010 by the Dodd–Frank Wall Street Reform and Consumer Protection Act. PIA opposed its creation and continues to believe that it is an unnecessary federal office considering the historical success of our system of state insurance regulation. In addition, developments at the international level can heavily influence laws and regulations at the state level. If global standards are developed without appropriate consideration of our unique state-based system of insurance regulation, such standards may actually increase systemic risks and consumer costs by pushing small and midsize companies out of business, reducing competition and impeding consumer choice.

How You Can Help

- ✓ **SUPPORT the repeal of the Federal Insurance Office**
 - The time is right to repeal the FIO as part of any financial regulatory reform package. Our longstanding and robust state-based insurance regulatory regime does not require this level of federal oversight.

- Since its creation, the FIO, like most federal offices, has gained power by extending its administrative activities beyond its legislative mandate (by virtue of its authority to administer the National Association of Registered Agents and Brokers [NARAB] and by calling for Congress to nationalize certain insurance standards).
 - These actions, as well as ongoing efforts to expand the scope of the office, validate our concerns that the FIO's ultimate aim is to federalize, or itself become a federal regulator of, insurance.
- ✓ **OPPOSE the creation of the Independent Insurance Advocate**
- This position was created in the Financial CHOICE Act that passed the House (H.R. 10) earlier this year. It will increase the power and federal authority over our state-based insurance regulatory system. The head of this new office will be Senate-confirmed, have his/her own budget and large staff, and will be allowed to issue regulations. The Independent Insurance Advocate office is not subject to oversight by the Treasury Department or any other existing agency of the federal government. If enacted, this office would be an existential threat to the very existence of our state system of insurance regulation.
- ✓ **SUPPORT Transparency in International Insurance Negotiations**
- Support legislation like the bill introduced in the 114th Congress by Rep. Blaine Luetkemeyer (R-MO), the Transparent Insurance Standards Act (H.R. 5143), which sets objectives for U.S. negotiators regarding international insurance standards; mandates a public comment period for any proposed international insurance agreement; and requires Congressional approval for any final agreement.



**National Association of Professional Insurance Agents
400 North Washington Street, 2nd Floor
Alexandria, VA 22314**

**For more information on this issue, contact
Jon Gentile, Vice President, Government Relations
jonge@pianet.org 703-518-1365**