



December 18, 2023

The Honorable Tim Scott  
U.S. Senate  
104 Hart Senate Office Building 306  
Washington, D.C. 20510

The Honorable Joe Manchin  
U.S. Senate  
306 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Bryan Steil  
U.S. House of Representatives  
1526 Longworth House Office Building  
Washington, D.C. 20515

Re: The Business of Insurance Regulatory Reform Act

Dear Senator Scott, Senator Manchin, and Representative Steil:

On behalf of the NAIC<sup>1</sup>, we would like to express our support for the Business of Insurance Regulatory Reform Act<sup>2</sup>. Consumer protection is the hallmark of our national state-based insurance regulatory system. That is why Congress has repeatedly reaffirmed the states' role in overseeing the insurance sector, including most recently in the Dodd-Frank Act. While the Dodd-Frank Act contains an exception to CFPB authority with respect to entities regulated by state insurance regulators, this legislation would make this exception more explicit and further effectuate congressional intent to defer to the states with respect to insurance policyholder protection.

We are proud of our track record in uncovering abuses and wrongful behavior in the insurance sector. Given the interconnected nature of our financial sector and the relative newness of the CFPB, it is understandable that some unintended overlap or duplication of effort with other regulators can occur. For that reason, it is appropriate for Congress to assess the operationalization of a new agency like the CFPB to clarify the scope of its authority and minimize redundancies or confusion such that both the states and the CFPB can focus on their respective areas of responsibility. The Business of Insurance Regulatory Reform Act provides important clarifications to the existing statute and helps mitigate these concerns.

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<sup>1</sup> As part of our state-based system of insurance regulation in the United States, the National Association of Insurance Commissioners (NAIC) provides expertise, data, and analysis for insurance commissioners to effectively regulate the industry and protect consumers. The U.S. standard-setting organization is governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer reviews, and coordinate regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. For more information, visit [www.naic.org](http://www.naic.org).

<sup>2</sup> S. 4325/H. 3746 (2017)



We greatly appreciate your sponsorship of this legislation that confirms the authority of state insurance regulators. Thank you for your attention to this important issue.

Sincerely,

Lindley-Myers  
NAIC President  
Director  
Missouri Department of Commerce  
and Insurance

Andrew N. Mais (*He/Him/His*)  
NAIC President-Elect  
Commissioner  
Connecticut Insurance Department

Jon Godfread  
NAIC Vice President  
Commissioner  
North Dakota Insurance Department

Scott White  
NAIC Secretary-Treasurer  
Commissioner  
Virginia Insurance Department