

October 23, 2019

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

The Honorable Tammy Baldwin
U.S. Senate
709 Hart Senate Office Building
Washington, D.C 20510

The Honorable Mike Rounds
U.S. Senate
502 Hart Senate Office Building
Washington, D.C. 20510

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

The Honorable Joni Ernst
U.S. Senate
730 Hart Building
Washington, D.C. 20510

Re: The Business of Insurance Regulatory Reform Act of 2019

Dear Senators Scott, Baldwin, Rounds, Manchin, and Ernst:

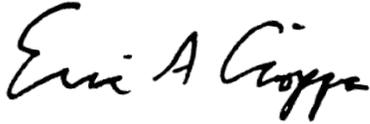
On behalf of the NAIC¹, we would like to express our support for the Business of Insurance Regulatory Reform Act of 2019. Consumer protection is the hallmark of our national state-based insurance regulatory system. That is why Congress has repeatedly reaffirmed the states' role in overseeing the insurance 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.

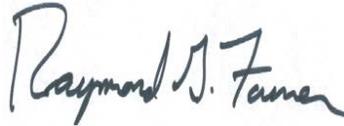
¹ As part of our state-based system of insurance regulation in the United States, the National Association of Insurance Commissioners (NAIC) provides expertise, data, and analysis for insurance commissioners to effectively regulate the industry and protect consumers. The U.S. standard-setting organization 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.

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.

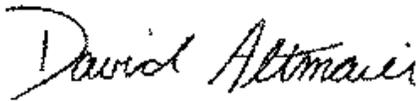
Sincerely,



Eric A. Cioppa
NAIC President
Superintendent
Maine Bureau of Insurance



Raymond G. Farmer
NAIC President-Elect
Director
South Carolina Department of Insurance



David Altmaier
NAIC Vice President
Commissioner
Florida Office of Insurance Regulation



Dean L. Cameron
NAIC Secretary-Treasurer
Director
Idaho Department of Insurance



Michael F. Considine
Chief Executive Officer
National Association of Insurance
Commissioners