

June 29, 2017

The Honorable Michael D. Crapo
Chairman
Banking, Housing & Urban Affairs Committee
U.S. Senate
534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Sherrod Brown
Ranking Member
Banking, Housing & Urban Affairs Committee
U.S. Senate
534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Maxine Waters
Ranking Member
Financial Services Committee
U.S. House of Representatives
4340 O'Neill House Office Building
Washington, DC 20515

The Honorable Randy Hultgren
Member
Financial Services Committee
U.S. House of Representatives
2455 Rayburn House Office Building
Washington, DC 20515

Re: S. 1463 and H.R. 3110, the “Financial Stability Oversight Council Insurance Member Continuity Act”

Dear Chairman Crapo, Ranking Member Brown, Ranking Member Waters, and Congressman Hultgren,

On behalf of the National Association of Insurance Commissioners (NAIC)¹, we would like to express our support for your legislation regarding the term of the Financial Stability Oversight Council (FSOC) independent member with insurance expertise.

FSOC is charged with identifying risks to the financial stability of the United States; promoting market discipline, and responding to emerging threats to the stability of the United States' financial system. It is important that the council have members that have a deep understanding of the unique aspects of the insurance industry and our state-based insurance regulatory system. The NAIC continues to believe that a state insurance regulator, who represents the primary regulators of the insurance sector, should have a voting seat on the council and would encourage you to consider providing state insurance regulators a vote as you contemplate changes to the Dodd-Frank Wall Street Reform and Consumer Protection Act.²

However, absent such reform, the independent insurance expert stands as the only member who can represent insurance sector interests when a vote is called. As you rightly have observed, there are currently no contingency provisions in the Dodd-Frank Act to allow the independent insurance expert to stay during the interim past his or her six-year term if that term has expired and a successor has not yet been confirmed. Your bill would ensure that the insurance sector retains a vote on the council in such an event by allowing the independent insurance member to stay on the FSOC past his/her term for the earlier of (1) 18 months or (2) when a successor is confirmed. We

¹ Founded in 1871, the NAIC is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and the five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.

² Any concerns with the constitutionality of such change could be resolved through presidential appointment and senate confirmation.

applaud this common sense approach for correcting an oversight in the original authorizing statute and creating continuity for insurance representation on FSOC.

Thank you for your attention to this issue. We look forward to working with you on other matters before the Banking Committee in the 115th Congress.

Sincerely,



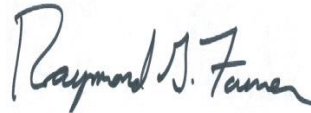
Theodore K. Nickel
NAIC President
Commissioner
Wisconsin Office of the
Commissioner of Insurance



Julie Mix McPeak
NAIC President-Elect
Commissioner
Tennessee Department of
Commerce & Insurance



Eric A. Cioppa
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Raymond G. Farmer
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Director
South Carolina Department of Insurance



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