



NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

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April 22, 2005

Honorable Michael G. Oxley
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Honorable Richard H. Baker
Chairman
Subcommittee on Capital Markets,
Insurance and Government Sponsored
Enterprises
U.S. House of Representatives
Washington, DC 20515

**GOVERNMENT
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Dear Chairmen Oxley and Baker:

On behalf of the National Association of Insurance Commissioners (NAIC), I am pleased to enclose the report of the NAIC's SMART Act Review Team Findings to assist you and Members of the Financial Services Committee. In an effort to provide meaningful and constructive input on the SMART ACT, the NAIC began a thorough review of the SMART Act discussion draft and its impact on state insurance regulation in December 2004. To accomplish this task, seven separate review teams comprised of 117 insurance commissioners, state regulatory experts, and NAIC senior staff were assigned to evaluate the Titles of the SMART Act draft. They used the NAIC's own regulatory modernization roadmap, "*Framework for a National System of State-Based Regulation*", as the focus for determining how the SMART Act's provisions – individually and collectively – would impact the NAIC's modernization efforts and state supervision authority.

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The NAIC and state regulators look forward to continuing a positive and productive working relationship with the Financial Services Committee to accomplish the regulatory modernization goals we all share. We are prepared to provide expertise on insurance regulation and participate in ongoing discussions and meetings regarding the SMART Act. We are also prepared to make available senior NAIC technical staff to offer input and assistance.

**WORLD
WIDE WEB**

www.naic.org

The NAIC remains committed to being actively engaged in providing Congress with regulatory assistance and policy guidance on all insurance issues. I look forward to meeting with you on April 28th to discuss how we can work together on our goal of state-based modernization of the nation's insurance regulatory system.

Sincerely,

A handwritten signature in black ink that reads "Diane Koken". The signature is written in a cursive, flowing style.

Diane Koken
Commissioner of Insurance, Pennsylvania
President, NAIC

Cc:

Honorable Barney Frank
Ranking Minority Member
Committee on Financial Services

Honorable Paul E. Kanjorski
Ranking Minority Member
Subcommittee on Capital Markets, Insurance
and Government Sponsored Enterprises