

November 17, 2009

The Honorable Barney Frank
Chairman
House Financial Services Committee
Washington, D.C. 20515

The Honorable Spencer Bachus
Ranking Minority Member
House Financial Services Committee
Washington, D.C. 20515

The Honorable Paul Kanjorski
Chairman
House Financial Services Subcommittee
on Capital Markets, Insurance, and
Government Sponsored Enterprises

The Honorable Judy Biggert
Ranking Minority Member
House Financial Services Subcommittee
on Capital Markets, Insurance, and
Government Sponsored Enterprises

RE: The Federal Insurance Office Act of 2009, Manager's Amendment

Dear Chairman Frank, Ranking Member Bachus, Chairman Kanjorski, and Ranking Member Biggert:

We write to thank you for working with the National Association of Insurance Commissioners (NAIC) on the significant improvements to the Federal Insurance Office Act of 2009 proposed by the latest amendment to the legislation. These changes, identified in an October 23rd letter from our CEO to the Committee, strike an appropriate balance among the needs of consumers, state regulators, and federal negotiators by preserving important state prudential and market regulation while allowing for agreements with equivalent regulatory systems.

State regulation of insurance has worked extremely well for consumers during the financial crisis, protecting policyholders and prohibiting insurers from engaging in the activities that have crippled the financial sector. As such, we will continue to oppose a federal functional regulator for insurance or misguided attempts to further empower the FIO, but as currently drafted, the FIO is an appropriately narrow and targeted improvement to our system of supervision. Therefore, the National Association of Insurance Commissioners (NAIC) supports the legislation as amended.

Again, we thank you for your efforts, and we look forward to working with you on the other financial reform proposals before the Committee. If you are in need of any additional information, please contact Ethan Sonnichsen or Moira Campion McConaghy of the NAIC Washington Office at (202) 471-3990.

Sincerely,



Roger A. Sevigny
Commissioner
New Hampshire Insurance Department
NAIC President



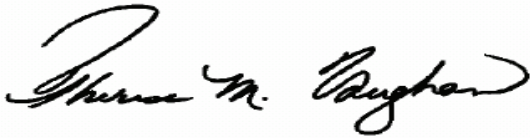
Jane L. Cline
Commissioner
West Virginia Insurance Department
NAIC President-Elect



Susan E. Voss
Commissioner
Iowa Insurance Division
NAIC Vice President



Kevin McCarty
Commissioner
Florida Office of Insurance Regulation
NAIC Secretary-Treasurer



Therese M. Vaughan, Ph.D.
NAIC Chief Executive Officer