

# Agents Hit U.S. Chamber Backing of Federal Insurance Regulation

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As they prepare to converge on Washington, D.C. to meet with federal legislators, insurance agents are targeting a recent U.S. Chamber of Commerce endorsement of federal insurance regulation for criticism.

The National Association of Professional Insurance Agents (PIA) has asked its members to challenge the recent decision by a commission of the U.S. Chamber of Commerce to endorse optional federal charters for insurers.

An independent, bipartisan commission established by the U.S. Chamber of Commerce has called for Congress to enact optional federal charter legislation for insurers as one of its recommendations for modernizing financial services regulation. The Chamber position drew immediate praise from the insurers' American Insurance Association but not from PIA.

"PIA is disappointed that this body of the national U.S. Chamber has taken a position on optional federal charters that we believe is clearly not in the best interest of agents, taxpayers or insurance consumers," said PIA Executive Vice President and CEO Len Brevik.

Brevik added PIA members can express their displeasure either by sending a letter to the U.S. Chamber of Commerce or by speaking up at their local Chamber meetings.

"Main Street insurance agents who are active members of their local Chambers of Commerce care about business conditions in their own communities," Brevik added. "They do not believe that all roads lead to Washington, D.C. They know local business is best served by state-based regulation. Out of sight oversight from Washington is less efficient, less responsive and more costly. Small businesses and taxpayers will end up paying for the new federal insurance bureaucracy that has been endorsed by this Chamber commission."

The U.S. Chamber of Commerce and cites federal legislation introduced during the previous Congress by Sens. John Sununu (R-N.H.) and Tim Johnson (D-S.D.), as well as companion legislation introduced in the U.S. House by Rep. Ed Royce (R-Calif.).

PIA has opposed these proposals to create optional federal charters.

"Our opponents are attempting to convince members of Congress that our state-based system of insurance oversight is 'broken' and in need of a fix," said PIA National President Donna L. Pile of Lexington, Kentucky. "There's just one problem: it is not broken. And the fix they propose is federal regulation, complete with a new federal insurance regulator and the new federal bureaucracy that would require. I can't believe the Chamber of Commerce would support the creation of a new federal bureaucracy and I hope they ultimately decide not to endorse the position of their commission."

PIA members are set to converge on Washington, D.C. March 28-29 to lobby Congress against federal insurance regulation during the association's 25th annual Federal Legislative Summit.

Source: PIA  
www.pianet.com

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