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NEWS

February 22, 2008

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COFIR Applauds NAIC President Sandy Praeger's Comments

On February 14, 2008, Sandy Praeger, President of the National Association of Insurance Commissioners (NAIC), sent a letter to American Insurance Association (AIA) President, Gov. Marc Racicot, reiterating the strengths of state-based regulation and reasserted the NAIC's opposition to federal legislation that would establish an optional federal charter (OFC).

Greg Wren, Executive Director of the Coalition Opposed to a Federal Insurance Regulator (COFIR), stated: "I am pleased to know that the NAIC continues its strong opposition to an unnecessary and burdensome federal insurance regulator through OFC legislation."

In her letter Commission Praeger states, "...allowing insurers to pick their regulator threatens a regulatory 'race-to-the-bottom.' This scheme would be especially dangerous in property/casualty insurance, where families and businesses faced with a storm, fire, illness or injury often rely on a hands-on regulator to make insurers keep their promises and to help rebuild quickly after an unforeseen disaster. The push for an OFC is, in reality, nothing more than a call for little or no regulation."

"The Coalition Opposed to a Federal Insurance Regulator commends Commissioner Praeger on her leadership as the Kansas Insurance Commissioner and NAIC President. COFIR will aggressively oppose federal efforts to fundamentally dismantle the nation's 135 years of state-based insurance protections for consumers, agents and brokers, and insurance companies," added Wren.

"There is no 'crisis' in the insurance industry. What is needed is federal leadership in targeted reforms to help states create a more efficient and uniform market in which consumers are protected and operations of state governments are not threatened," concluded Wren.

The Coalition Opposed to a Federal Insurance Regulator is a fast-growing coalition of insurance companies and trade associations which oppose federal efforts to create a dual, bifurcated system of state and federal insurance laws and regulations. COFIR opposes Congressional legislation to create a federal insurance regulator which would require a massive new federal bureaucracy far removed from the consumers in each state.