



August 4, 2010

The Honorable Timothy Geithner  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

Dear Secretary Geithner:

We, the undersigned organizations, applaud the establishment of the Federal Insurance Office (FIO) in the Treasury as part of Title V of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. As you are aware, over the past several months, we have advocated on Capitol Hill and in the Executive Branch for a strong FIO. Indeed, we believe there is an important role for the federal government with regard to insurance and reinsurance. Accordingly, we are writing to you today to bring to your attention several issues which we believe are critical to our industries as you and your staff consider the development and implementation of this new office.

It is important that the FIO Director have the experience and stature necessary to carry out the portfolio that Congress has enumerated for the FIO. As noted below, this includes representing the U.S. internationally, preparing and presenting to the Congress important reports on the health and regulation of the industry, and working with senior executives in the industry and regulatory community in furtherance of the goal of becoming the federal government's warehouse of knowledge on all important aspects of the industry. The person chosen to fill this role must be able to command the resources and respect necessary to accomplish all of these goals. In addition, Title V authorizes the appropriation of necessary funds for the FIO for each fiscal year. It is crucial that the FIO be provided with sufficient resources and personnel to ensure that it can accomplish its stated purpose. Moreover, the Director and other FIO staff should reflect objective, unbiased views and an understanding of the property-casualty and life industries and their business models.

With respect to policy matters, foremost among our concerns is that the FIO takes on the active and meaningful international role Congress intended. Through the FIO, the U.S. will, for the first time, be able to speak with one voice internationally and effectuate international recognition agreements with foreign nations on prudential insurance measures on an equal footing. This authority should be

utilized to ensure equitable treatment for domestic and foreign insurers and reinsurers alike, promote job creation and foster innovation and growth in the US markets.

As you know, the FIO is also intended to fill the gap in federal-level knowledge of the insurance industry and monitor the industry for systemic risk. To accomplish this, the FIO has data collection authority. It is important that the FIO coordinates with the Office of Financial Research and uses available data from existing regulatory and non-regulatory sources (to include the NAIC and other trade associations) to avoid unnecessary and duplicative reporting burdens on companies. Critical to this effort will be making certain the confidentiality provisions in the legislation are fully effectuated, ensuring that confidential company information can be safely shared with the FIO.

Regarding the reports the FIO Director is required to produce for Congress, active engagement with our industries during the drafting process is important. The reports include one on improving U.S. insurance regulation and another on the breadth and scope of the global reinsurance market and the critical role the market plays in supporting insurance in the U.S. Making sure these reports incorporate industry input and provide objective analysis of these respective issues is key.

In conclusion, we appreciate the monumental task you and your staff have ahead of you in implementing all aspects of the Dodd-Frank legislation. Nonetheless, we ask that careful attention be paid to implementation of the FIO. The federal government is, for the first time in modern history, engaging on insurance and reinsurance matters in a permanent fashion. The steps taken in implementing the FIO, both as a matter of structure and policy, will set the tone for its operation for years to come. In this regard, we respectfully request that you consider the issues we have identified. We are available to discuss these concerns, or to provide you with any other assistance you may need to maximize the value of the FIO.

Thank you for your leadership during this exciting time and for your commitment to continue to work with the insurance and reinsurance industries.

Respectfully,

American Council of Life Insurers  
American Insurance Association  
Association of Bermuda Insurers & Reinsurers  
The Council of Insurance Agents & Brokers  
The Financial Services Roundtable  
Reinsurance Association of America  
Risk and Insurance Management Society, Inc.

cc: Neal S. Wolin, Deputy Secretary of the Treasury  
Michael S. Barr, Assistant Secretary for Financial Institutions  
Chris LeDoux, U.S. Department of the Treasury  
Roy Woodall, U.S. Department of the Treasury