

Via E-Mail

July 9, 2008

Chairman Kanjorski and Ranking Member Pryce
Subcommittee on Capital Markets, Insurance and
Government Sponsored Entities
Committee on Financial Services
U.S. House of Representatives
Washington DC 20515

Dear Chairman Kanjorski and Ranking Member Pryce,

On behalf of the Reinsurance Association of America, I want to thank you and the other co-sponsors for introducing H.R. 5840, the Insurance Information Act. H.R. 5840 thoughtfully lays the foundation to ensure that the Federal government has an appropriate understanding of the complexities of insurance and reinsurance issues. The Federal government has a strong interest in understanding the reinsurance market as it responds to catastrophes like 9/11 and the 2005 hurricanes. The OII will fill the current lack of a lead Federal entity that understands how decisions made by the Federal government can impact our industry.

The RAA strongly supports empowering the OII to establish Federal policy on international insurance issues. Reinsurance is a global business. The recent Treasury Blueprint noted that foreign government officials continue to raise issues associated with having to deal with 50 different U.S. insurance regulators, making coordination on international insurance issues difficult for foreign regulators and companies. The OII would enable the U.S. government to speak effectively with one voice on international regulatory issues.

The RAA also strongly supports the legislation's goal to authorize the OII to ensure that State insurance measures are not inconsistent with international agreements relating to Federal policy on international matters as established by the OII. The RAA is very appreciative of, and strongly supports, the inclusion of preemption language in the bill. It is critical that international policies are uniformly respected throughout the states by the preemption of any inconsistent State insurance measures. To do otherwise perpetuates the current patchwork system and undermines the ability of the U.S. to effectively participate in the international arena. As currently drafted, however, the preemption language is very narrow and the broad stay provision provides a "second bite at the apple" for states to avoid preemption even after the Director has determined during a robust process that an inconsistency exists. As this legislation moves forward, the RAA

would encourage the inclusion of stronger preemption language to ensure that H.R. 5840 accomplishes all of its stated purposes.

We appreciate your leadership on this important issue and your diligence in working with the many interested parties and the other members of the subcommittee to move this bill forward. We look forward to working with you as H.R. 5840 moves forward.

Sincerely,

A handwritten signature in black ink that reads "Frank Nutter". The signature is written in a cursive style with a large, looping initial "F".

Franklin W. Nutter
President