

OPENING STATEMENT OF CHAIRMAN PAUL E. KANJORSKI
SUBCOMMITTEE ON CAPITAL MARKETS, INSURANCE,
AND GOVERNMENT SPONSORED ENTERPRISES
MARKUP OF INCREMENTAL INSURANCE REGULATORY REFORM BILLS
AND SECURITIES ACT OF 2008
JULY 9, 2008

Good afternoon. We meet today to consider four important bills that have strong bipartisan support. I want to thank Members and staff on both sides of the aisle for working cooperatively on these matters in recent months.

The first bill that we will consider is H.R. 5840, the Insurance Information Act of 2008. I introduced this legislation in mid-April with Ranking Member Deborah Pryce, Congressman Dennis Moore, Congressman Ed Royce and Congresswoman Melissa Bean. Our bill promotes an idea which I have long held: that the Federal government should have an in-house expert on insurance policy matters. To that end, the bill would create an Office of Insurance Information within the Treasury Department.

In addition to providing needed advice on insurance public policy matters to both Congress and the Administration, the Office will coordinate Federal efforts and establish Federal policy on international insurance matters. To promote such Federal policy, the Treasury will have the ability, under very limited circumstances and very detailed procedures, to preempt a state insurance measure that is inconsistent with an international agreement regarding the policy.

We have achieved a unique balance, gaining the support of many diverse interests in the insurance world for this bill. As the Council of Insurance Agents and Brokers has observed, H.R. 5840 “breaks the impasse on the federal-versus-state regulatory battle of recent years” and “that its enactment would be a major move forward.” In short, I strongly urge my colleagues to support the Manager’s Amendment that I will offer today, as well as final passage of this important legislation.

Second, the Subcommittee will take up H.R. 5611, the National Association of Registered Agents and Brokers Reform Act of 2008. Congressmen David Scott of Georgia and Geoff Davis of Kentucky introduced H.R. 5611 to complete the reform of state insurance agent and broker licensing started under the 1999 financial services modernization law. Specifically, the bill would create the National Association of Registered Agents and Brokers to establish minimum licensing standards through which an insurance agent or broker licensed in one state could automatically receive an agent or broker license in any other state.

We are bringing this bill forward today because the state insurance regulators and key agent groups like the Independent Insurance Agents and Brokers of America, National Association of Insurance and Financial Advisors, and the Council of Insurance Agents and Brokers worked together to find a consensus. I appreciate their hard work in developing this compromise.

Third, we will consider H.R. 5792, the Increasing Insurance Coverage Options for Consumers Act of 2008. Congressman Dennis Moore and Subcommittee Ranking Member Deborah Pryce introduced the bill in April. H.R. 5792 would reform and expand the Product

Liability Risk Retention Act by allowing risk retention groups to provide commercial property insurance to their members and requiring all risk retention groups to implement minimum corporate governance, disclosure and financial reporting standards.

As with the other two insurance bills we will consider today, H.R. 5792 is also consensus driven. I have long advocated the need for consensus in the area of insurance regulatory reform. I therefore urge my colleagues to give their full support to each of these measures.

Finally, we will take up the Committee Print of the proposed Securities Act of 2008, which staff has worked on a bipartisan basis to develop. This legislation seeks to modestly improve the enforcement authority of the Securities and Exchange Commission and to advance investor protection. Both of these goals are important, and the bill is especially timely given the current state of our capital markets.

A majority of the provisions in this bill have been recommended to the Congress by the Commission. Also, several of the sections of the bill have previously passed the House or the Financial Services Committee, and the measure contains bills or sections of bills drafted by both Republicans and Democrats. I consider most, if not all, of the provisions of the draft bill to be non-controversial.

Like the three insurance bills, we have worked in a bipartisan manner in preparation for today's markup in the hope of achieving consensus. We have received support from a number of interested parties, including the North American Securities Administrators Association. As a former member of this panel and the current Chairman of the Commission has also noted in his letter supporting this bill, the Securities Act of 2008 will "increase the effectiveness of the Commission's major operational programs." As such, I urge my colleagues to support this legislation, too.

In closing, I want to thank my colleagues for participating in today's markup and supporting our efforts to move forward on these four important legislative matters.
