

Opening Statement
Chairman Michael G. Oxley
Committee on Financial Services
Subcommittee on Capital Markets, Insurance and
Government Sponsored Enterprises
May 16, 2001

**“NARAB & Beyond -- Achieving
Nationwide Uniformity in Agent Licensing”**

Chairman Baker, thank you for holding this hearing today.

I am very pleased that this Subcommittee is taking another look at NARAB to review the status of State producer licensing reforms and to explore what we in Congress can do to keep the process moving forward.

By all accounts, the NAIC has made significant progress, and I applaud their efforts. It now appears that the required number of States will implement reciprocal standards for agency licensing by the deadline of November 2002. This is good news indeed.

However, this is no time to rest on our laurels, as this is only the beginning. There is much work still to be done.

First, efforts must be redoubled to make reciprocity a reality in every State and U.S. territory. I am troubled that many of the larger States with the bulk of premium volume have not yet enacted reforms. We will be keeping a close eye on these States to see if they fall off the reform bandwagon.

Second, we must keep our eye on the prize: achieving nationwide uniformity in agent licensing. As the NAIC declared in its *Statement of Intent: The Future of Insurance Regulation*: “While reciprocity is a short-term answer, uniformity is the efficient, long-term solution.” I couldn’t agree more.

It is my sincere hope that the current pace of producer licensing reform will continue. If not, Congress will return to this issue with our own solution. By all accounts, the NARAB provisions have worked well in pushing the States towards reciprocity. Follow-up legislation along the same lines may, in fact, be necessary. The Committee has begun consideration of what additional incentives may be necessary if reform efforts get bogged down.

Today’s hearing is part of the Committee’s larger efforts to move towards greater uniformity in insurance regulation. I look forward to the Committee’s continued work in this area.

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I would like to welcome the witnesses who are testifying, in particular, Congresswoman Kelly. As we all know, Rep. Kelly was instrumental in the inclusion of the NARAB provisions in G-L-B-A. Her participation here today is greatly appreciated.

Thank you, Mr. Chairman. I yield back the balance of my time.