May 3, 2016

Honorable Blaine Luetkemeyer
U.S. House of Representatives
Washington, D.C., 20515

Dear Representative Luetkemeyer:

On behalf of the National Association of Professional Insurance Agents (PIA National), thank you for introducing H.R. 5143, the Transparent Insurance Standards Act of 2016. PIA National represents independent insurance agents in all 50 states, Puerto Rico, and the District of Columbia. Our members appreciate your leadership on this issue.

For over 150 years, the state-based system of insurance regulation has successfully protected consumers and created a competitive and diverse U.S. insurance market. International negotiations can have serious consequences for the domestic insurance industry. While states are the primary regulators of insurance in the United States, developments at the international level can heavily influence laws and regulations at the state level. If global standards are promulgated without appropriate consideration of the unique state-based system of U.S. insurance regulation, they may actually increase systemic risks and consumer costs by pushing small and midsize companies out of business, reducing competition. PIA firmly believes that negotiations and agreements into which the U.S. government enters establishing international insurance standards should be consistent with our state-based system of insurance regulation, should be handled in a transparent manner, and should include the opportunity for public comment to be made on proposed agreements.

Your legislation addresses these important issues by requiring transparency and public comment periods for international insurance negotiations and requires U.S. negotiators to emphasize the importance of retaining the current state-based system of insurance regulation. The legislation would also prohibit international covered agreements from granting the Federal Insurance Office any authority to supervise or regulate the business of insurance. In addition, H.R. 5143 would prohibit U.S. negotiators from agreeing to any standard without confirming that doing so would not require the United States to change the way it regulates insurance.

PIA supports efforts to increase transparency and cooperation and to ensure that state insurance regulation is afforded appropriate deference in any federal or international decision-making process. PIA greatly appreciates your dedication to state-based insurance regulation.

If PIA National can be of any additional assistance, please contact Jon Gentile, PIA National vice president of government relations, at jonge@pianet.org.

Sincerely,

Mike Becker
Executive Vice President and CEO
PIA National