



Property Casualty Insurers
Association of America
Advocacy. Leadership. Results.

NATHANIEL F. WIENECKE
SENIOR VICE PRESIDENT

July 20, 2018

The Honorable Keith Rothfus
U.S. House of Representatives
1205 Longworth House Office Building
Washington, D.C. 20515

The Honorable Joyce Beatty
U.S. House of Representatives
133 Cannon House Office Building
Washington, D.C. 20515

Dear Representatives Rothfus and Beatty:

On behalf of the Property Casualty Insurers Association of America (PCI), I write in strong support of your proposed amendment to H.R. 5059, the "State Insurance Regulation Preservation Act." This important legislation will maintain the role of the Federal Reserve Board of Governors as the consolidated supervisors of insurance savings and loan companies (ISLHCs); while providing needed direction for the appropriate tailoring of the supervision of ISLHCs considering the role of State insurance commissioners as primary regulators of the business of insurance.

Since the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) transferred the supervision of ISLHCs to the Federal Reserve Board, insurance companies with affiliated savings associations have had to submit to costly and burdensome examinations and compliance requirements. These examinations duplicate, and at times conflict with, the State regulation of insurers that has served consumers and the U.S. insurance market very well for over 150 years. H.R. 5059, as amended, alleviates this unnecessary burden by requiring the Federal Reserve to minimize the potential for duplication with State insurance regulators in their examinations of ISLHCs and establish a supervisory framework for ISLHCs that is tailored to the unique risks, operations and activities of those companies.

H.R. 5059, as amended, is a common sense, bipartisan effort to protect the time-tested state-based insurance regulatory system. The Federal Reserve Board's duplicative examinations of well-capitalized insurers affiliated with depository institutions will inevitably increase the cost of insurance for consumers. Passage of this important legislation will free up much needed capital and allow more investment in the economy to the benefit of consumers and policyholders across the country.

PCI appreciates your leadership and willingness to work in a bipartisan manner to find a solution that addresses the concerns raised by stakeholders.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nat Wienecke", written in a cursive style.

Nathaniel F. Wienecke