

Congress of the United States

Washington, DC 20515

VOTE FOR BIPARTISAN AMENDMENT TO SAVE INSURANCE CONSUMER PROTECTION LAWS

June 30, 1999

Dear Colleague:


If you believe consumers should be protected by state insurance laws whether they buy insurance from a bank or from an insurance agent, then the Rules Committee version of H.R. 10, the Financial Services Act of 1999, should be changed. Otherwise, the Rules Committee version of H.R. 10 would deny consumers who buy insurance from banks the protection of existing insurance laws.

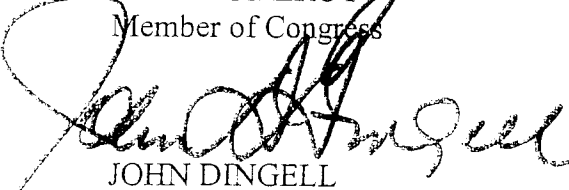
Insurance is regulated exclusively at the state level, and state insurance regulators say that **the Rules Committee version of H.R. 10 would preempt 1,781 consumer protection laws** (table on back of this letter identifies number of laws preempted in each state). If Congress preempts laws that the states use to protect insurance consumers, there is no federal agency to safeguard the premiums consumers pay to insurance companies, to assure that claims owed insurance consumers are paid when due, or to prevent abusive sales practices.


In 1997, state insurance regulators received 3.3 million consumer inquiries, and 390,000 of these inquiries resulted in actual complaints requiring action by the regulators. Why should Congress deny consumers the help of state insurance regulators when their rights are violated, just because they buy insurance from a bank rather than from an insurance agent? None of us should want to do that, but if you vote for the Rules Committee's version of H.R. 10, that's exactly what you'll be voting for.

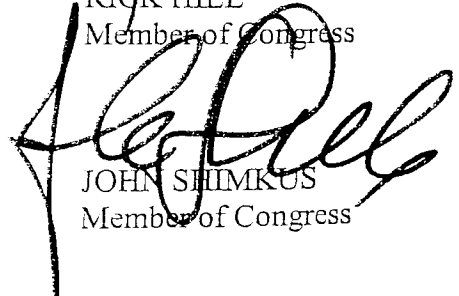
We urge you to support amendments that will make sure consumers are protected whether they buy insurance from a bank or from an insurance agent.

Sincerely,


EARL POMEROY
Member of Congress


JOHN DINGELL
Member of Congress


RICK HILL
Member of Congress


JOHN SHIMKUS
Member of Congress

The Version of HR 10 Released by the House Rules Committee Sweeps Away 1,781 Essential State Insurance Laws Across the Country

- ◆ State governments are solely responsible for regulating the business of insurance in the United States.
- ◆ The States regulate insurance in order to protect consumers and supervise the solvency and stability of insurers and agents.
- ◆ The version of HR 10 released by the House Rules Committee on June 24, 1999 will likely preempt many State consumer protection and solvency laws needed to regulate the insurance activities of banks and their affiliates.

	Number of State laws likely preempted by the House Rules Committee version of HR 10		Number of State laws likely preempted by the House Rules Committee version of HR 10		Number of State laws likely preempted by the House Rules Committee version of HR 10
Alabama	33	Louisiana	37	Ohio	38
Alaska	30	Maine	37	Oklahoma	31
Arizona	35	Maryland	36	Oregon	39
Arkansas	41	Massachusetts	32	Pennsylvania	35
California	43	Michigan	33	Rhode Island	35
Colorado	35	Minnesota	36	South Carolina	34
Connecticut	36	Mississippi	32	South Dakota	37
Delaware	32	Missouri	37	Tennessee	37
Florida	40	Montana	36	Texas	42
Georgia	38	Nebraska	36	Utah	34
Hawaii	28	Nevada	36	Vermont	32
Idaho	31	New Hampshire	28	Virginia	36
Illinois	41	New Jersey	41	Washington	36
Indiana	33	New Mexico	31	West Virginia	34
Iowa	39	New York	37	Wisconsin	33
Kansas	41	North Carolina	46	Wyoming	31
Kentucky	36	North Dakota	34	Total	1,781

Source: National Association of Insurance Commissioners