

Congress of the United States
Washington, DC 20515

January 23, 2009

The Honorable Timothy F. Geithner
Secretary of Treasury-designate
U.S. Department of Treasury
Washington, DC 20220

Dear Secretary of Treasury-designate Geithner:

The events of the past several months have reinforced the widely-held belief that the U.S. financial regulatory model must be reformed. As the Obama Administration and Congress begin to consider establishing a systemic risk regulator in the immediate future and changes to the regulatory structure in the upcoming months, we encourage you – upon confirmation – to either create an office within the Treasury Department or assign a high level Treasury appointee an insurance portfolio to fill a void on insurance oversight and expertise at the federal level. We strongly believe that this would be a valuable – and indeed necessary – interim step which would provide policymakers with insight into issues surrounding the insurance market as reform is contemplated.

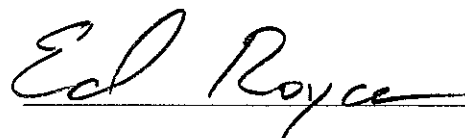
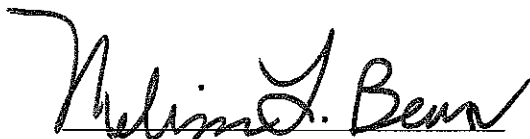
As you know, events in the insurance sector during the past twelve months have had a significant impact on the broader capital markets and economy. The apparent risk of a systemic shock to the broader economy was the reason behind the government intervention to prevent the collapse of American International Group, once the largest U.S. insurance company. We all share the belief that we must take steps to ensure that a similar situation does not occur in the future and we believe that an important first step ought to be the establishment of an office within Treasury which would have a knowledge-base and understanding of insurance operations.

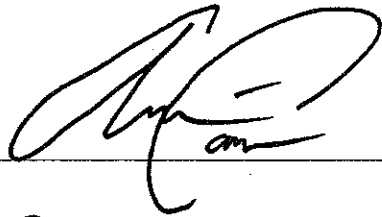
Additionally, the losses and subsequent rating downgrades experienced by many of the top bond insurance companies in 2008 resulted in a tighter credit market for bond issuers and significant losses by banks and other financial institutions. During the 110th Congress, the House Committee on Financial Services found it imperative that Treasury have a working and dedicated knowledge base on insurance matters.

Considering the critical role the insurance sector plays in our capital markets and the amount of taxpayer money the federal government has committed to assist U.S. insurance companies, it is disconcerting that there remains no expertise within the federal government on insurance matters. Because preliminary regulatory reform discussions are already underway, we believe the establishment of an office within the Treasury Department in the near future would greatly assist the process.

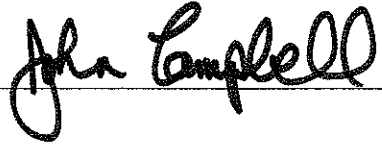
Again, thank you for taking the time to consider this issue and we look forward to working with you on the critical issues surrounding the financial services sector.

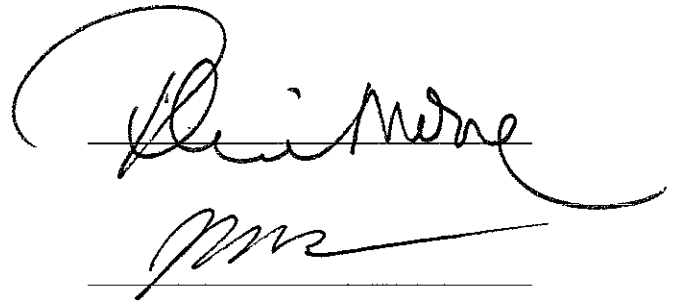
Sincerely,





Michael N. Castle





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January 23, 2009 -- Letter to Secretary-designate Timothy F. Geithner RE: Insurance

Signatories:

Rep. Melissa Bean

Rep. Ed Royce

Rep. Andre Carson

Rep. Dennis Moore

Rep. Michael Castle

Rep. John Adler

Rep. John Campbell