



NATIONAL ASSOCIATION OF INDEPENDENT LIFE BROKERAGE AGENCIES

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NAILBA APPLAUDS OPTIONAL FEDERAL CHARTER LEGISLATION

(Fairfax, VA) Senators John Sununu (R-N.H.) and Tim Johnson (D- S.D.) introduced today the National Insurance Act of 2007, which establishes an Optional Federal Charter (OFC). Under their bill, insurers operating under multiple state jurisdictions could choose to be regulated at the national level under an OFC.

“A more uniform regulatory environment is long overdue,” stated NAILBA Chairman John W. Felton, IV. **“This legislation establishes an optional national system of regulation that would make it possible for insurers to offer consumers in all states the same menu of products and services—ultimately giving you more timely access to improved and innovative products.”**

“Under current law, insurance providers must follow differing—sometimes conflicting—regulations in each state in which they operate,” continued Felton. “Insurers face obstacles such as inconsistent regulations, barriers to innovation and conflicting agent licensing and education requirements, among others. All of these factors drive up the price of products and slow down innovation and delivery of new products to consumers.”

“Cost savings to the carriers would be reflected in more competitive products offered to consumers and reduced operational costs to NAILBA’s member agencies and the agent community. Consumers and the insurance industry would all benefit significantly from uniformity and reduced costs,” said Felton.

NAILBA supports federal regulation of insurance that would put the insurance industry on equal standing with other financial services industries and recognizes that this legislation is the starting point in the long process of insurance reform. We commend Senator Sununu and Senator Johnson for beginning the dialogue.

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The National Association of Independent Life Brokerage Agencies (NAILBA) is a nonprofit trade association with 346 member agencies in the U.S., representing 100,000 producers who deliver more than one billion dollars in first year life insurance premiums annually. NAILBA is dedicated to fostering the growth of its member agencies by providing educational resources, industry standards and a collective voice for legislative and regulatory efforts. Each of NAILBA's members commits to a statement of responsibilities to ethically and responsibly serve their clients' best interests. For more information, visit www.nailba.org.