

**April 26, 2017**

Chairman Hensarling, Ranking Member Waters, and members of the House Financial Services Committee, the National Association of Insurance Commissioners (NAIC) appreciates the opportunity

As regulators of the largest and most diverse insurance market in the world, our focus is on the dual objectives of protecting insurance consumers and ensuring vibrant, competitive insurance markets in our states. To that end, we share the goal of providing a balanced, measured, and appropriately sized regulatory environment that allows for innovation and opportunity, while not sacrificing consumer protections. The Financial CHOICE Act has some promise in this regard, but improvements need to be made to ensure that it works for the insurance sector and its regulation. We have serious concerns with certain aspects of it, most notably the inclusion of the office of the Independent Insurance Advocate.

For more than 150 years, states have successfully regulated the insurance sector in this country. Through our approach to regulation, our sector has weathered several economic downturns and crises, including the most recent financial crisis. Insurers remained solvent and claims were paid to insurance policyholders. While several hundred banks failed, only a few insurers did. Today, much of the insurance sector is as strong as ever. Notwithstanding our track record, throughout the past six years, we have witnessed significant



