

**OPENING STATEMENT OF
CHAIRMAN PAUL E. KANJORSKI**

**SUBCOMMITTEE ON CAPITAL MARKETS, INSURANCE, AND
GOVERNMENT SPONSORED ENTERPRISES**

**HEARING ON “ADDITIONAL PERSPECTIVES ON THE NEED FOR
INSURANCE REGULATORY REFORM”**

TUESDAY, OCTOBER 30, 2007

Good afternoon. I would like to thank Ranking Member Deborah Pryce and Members of the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises for being here for today’s hearing on “Additional Perspectives on the Need for Insurance Regulatory Reform.” I would also like to thank Ms. Pryce for joining me in inviting our panel.

Today’s hearing is the second in our series on insurance regulatory reform. It is also our second hearing in that series on the need to improve insurance regulation. Earlier this month, we heard from key participants of the insurance industry on the need for reform. At that hearing, regulators, agents, brokers and company representatives testified. Our first hearing reinforced my belief that Congress should take some action on insurance regulation. I expect today’s witnesses to add to our knowledge base on insurance, and help inform each of us on what Congress should do, before we make any policy decisions in this area.

The vast majority of interested parties in the debate on insurance regulatory modernization agree that the system is not perfect and needs improvement. Today, we hear from additional parties, including state legislators, consumers and industry representatives on the need for reform in insurance regulation. These additional perspectives will add greatly to our discussion, as each will relay a unique point of view.

Although regulated by the many states, Congress has the responsibility to oversee the insurance industry. The aftermath of September 11 taught us all how important insurance is to a vibrant and thriving national economy. We have also heard a lot about maintaining the competitiveness of the U.S.’ capital markets, including insurance, in an increasingly global economy. Insurance’s importance to consumers – both large and small businesses, and individuals in each of our districts – is another area we cannot forget. It is our responsibility as lawmakers to decide the best course to take on any issue and, in my view, we should do so in a thoughtful and deliberative manner. The current system has been in place for over a century and any changes we proffer should consider all potentially affected constituencies.

In closing, I expect today's testimony will continue to help guide us into specific areas to review. Even more so, I would like consensus and bipartisanship to dictate what areas we choose to focus on. I am optimistic that we can achieve this goal. Future hearings will explore policy options for reform. We will likely review general and broad reform ideas, as well as options targeted on specific areas. Nevertheless, until we explore options, we will remain focused on why there is a need for improvement in insurance regulation. Our hearing earlier this month was a great beginning, and I look forward to another open dialogue with today's panel.
