Testimony
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and
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Insurance Oversight: Policy Implications for U.S. Consumers, Businesses and Jobs

Subcommittee on Insurance, Housing and Community Opportunity
Committee on Financial Services
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Chairman Biggert and members of the Subcommittee, my name is Andrew Furgatch and I am the Chairman and CEO of Magna Carta Companies. As a member of both the Property Casualty Insurers Association of America (PCI) and the National Association of Mutual Insurance Companies (NAMIC), I am pleased to testify on behalf of Magna Carta and the members of these two dynamic trade associations on the implications of federal and state government policy on the insurance industry, policyholders, and the economy.

Magna Carta was founded in New York City in 1925 as a mutual insurance carrier for the taxicab industry. Today, Magna Carta specializes in underwriting the commercial real estate industry and is one of the largest mutual carriers of commercial business in America. The group now consists of Public Service Mutual Insurance Company, Paramount Insurance Company and Western Select Insurance Company. When the group celebrated its 75-year anniversary in 2000, it adopted the trade name of Magna Carta Companies.

PCI is composed of more than 1,000 member companies, representing a broad cross-section of insurers. PCI members write over $175 billion in annual premium and 37.4 percent of the nation’s property casualty insurance. PCI represents 43.5 percent of the US automobile insurance market, 30.6 percent of the homeowners market, 35.3 percent of the commercial property and liability market, and 41.8 percent of the private workers compensation market. PCI is committed to promoting and protecting the viability of a competitive private insurance market for the benefit of consumers and insurers through strategic advocacy efforts on state, federal and international property casualty insurance issues.

NAMIC is a large and diverse national property/casualty insurance trade and political advocacy association, and has been advocating for a strong and vibrant insurance industry since its inception in 1895. Its 1,400 member companies write all lines of property casualty insurance business and include small, single-state, regional, and national carriers accounting for 50 percent of the automobile/homeowners market and 31 percent of the business insurance market.

P/C Insurance Industry Creates Jobs and Makes a Substantial Contribution to the Nation’s Economic Health

I have two overarching messages to deliver today. The first is that the US insurance industry is strong and growing, performed very well during the recent financial crisis, and is a significant job creator for the US economy. The second is that our industry's ability to continue to grow and create jobs is being challenged by an explosion of new regulations, especially at the federal and international levels. While some of these may be intended to address legitimate concerns, many are ill-advised efforts to impose bank-centric rules on insurers, which have very different business models than banks. Congress, and this Committee in particular, plays a vital role in overseeing federal financial regulators to ensure that they do not engage in "mission creep" and intrude inappropriately into insurance regulation by adopting a one-size-fits all approach to financial regulation.

The P/C Industry is Strong. Property casualty insurers greatly outperformed other financial sectors during the recent financial crisis. A recent Temple University report analyzed stock performance trends from December 31, 2004 through August 24, 2010 for property casualty insurers, life insurers, banks and the S&P. The findings showed that, from peak-to-trough, the life insurer index lost 85% of its value, the bank index lost 88%, and the S&P 500 lost 57% of value. Property casualty insurers fared better during the crisis, losing "only" 47% of value.

Our industry exists primarily to serve our policyholders, which we do well. We operate in an extremely competitive marketplace with more than 2,500 individual insurance companies providing critical, quality protection to all Americans at competitive prices.

P/C Insurers Create Jobs. The property casualty industry provides over 475,000 jobs across the country, bringing more than $34.4 billion in annual wages into the economy. Property casualty insurers are a major source of capital for state and local government in the United States, investing $369.8 billion in state municipal bonds in 2010, which helps to fund the construction of schools, roads, health care facilities, and a variety of other public projects. In addition, property casualty insurers provided $527 billion to US businesses in 2010 to fund research, innovation, expansion and other opportunities through their investments in corporate stocks and bonds. The insurance industry as a whole (including life/health) contributed $424 billion to the nation's GDP in 2009 (3%) and paid $15.8 billion in state premium taxes in 2010, among a wide range of other state and local taxes.[1]

Threats on the Horizon. Although our industry is performing well, we are concerned that various regulatory developments at the state, federal, and international levels pose potential threats to the future the industry. Congress, and the House Financial Services Committee in particular, need to be alert to these threats and vigilant to act, when needed, to prevent unintended negative consequences that can flow from ill-considered regulatory actions. My testimony will provide some background on the nature of insurance regulation and describe some of the threats on the horizon.

The Evolution of Insurance Regulation

State Regulation Has Worked Well. Since the mid-1800s, US property casualty insurers have been regulated by each of the states in which they conduct business. By adopting the McCarran-Ferguson Act in 1945, Congress endorsed state oversight of insurance. State regulation seeks to ensure that insurers will be solvent to pay their policyholders' claims and protects consumer rights with respect to privacy and insurance coverage. During the recent financial crisis involving troubled banks and securities firms, fiscally prudent regulatory oversight by states was

[1] US Bureau of Labor Statistics; US Bureau of Economic Analysis; Board of Governors of the Federal Reserve System

found to be effective in safeguarding insurance purchasers and ensuring the financial strength of US insurance markets and businesses. Indeed, insurance regulation was one of the bright spots in the International Monetary Fund's review of financial services regulation globally.

One of the many benefits of state regulation is its ability to adapt and respond to each state's unique marketplace and to act as a "laboratory for experimentation" that can identify best practices that can then be adopted elsewhere.

Increased compliance costs resulting from excess layers of regulation are also a growing challenge for insurers. This is true even at the state level, before considering the new federal and international pressures discussed elsewhere in my testimony. The cost of compliance is a significant business issue for insurance companies. Results from a recent PCI/Ward Group survey on the cost of regulatory and corporate compliance found that total compliance expenses grew almost 18 percent from 2008 to 2010. Smaller companies continue to face the most significant challenges due to increased regulatory requirements – from 2008 to 2010, the cost of compliance grew 36 percent for small companies and 14 percent for large companies.

Increasing Federal and International Involvement. In addition to increasing efforts to make state-based regulation more uniform, federal and international regulators are becoming ever more involved in the regulation of US insurers. The Dodd-Frank Act has created a new Federal Insurance Office within Treasury, which will have significant power to collect data about the industry, and potentially to impose costly data demands on insurers. Although the office has no regulatory power, it does have the power to preempt certain state laws, as I describe in more detail later. In addition, regulators from around the world are actively engaged in finding ways to harmonize financial regulation globally, including insurance regulation. While this is usually well-intentioned, the threat is that non-US banking regulators become too influential over matters affecting an industry and a marketplace that they do not understand. Thus, the regulatory threats facing insurers now come not only from the fifty states, but from Washington and foreign capitals as well.

Impact of the Dodd-Frank Act

The Dodd-Frank Act (DFA) was enacted primarily to address regulatory gaps in the financial services sectors that had become apparent in the aftermath of the recent financial crisis, and to prevent financial firms from engaging in activities that pose systemic risk to the economy as a whole. However, it also included other provisions not directly related to systemic risk that impact the insurance industry. Although DFA accommodated state insurance regulation in some critical ways, it did not always adequately acknowledge the unique characteristics of the insurance industry and its regulation that make it inappropriate, and indeed dangerous, for federal regulators to intrude. Instead, DFA established a system for regulating and resolving all financial institutions, too often without explicit exemptions for insurers. The details are left to the federal regulators, meaning that they will often have the power to decide whether to respect state regulation of insurance or not. While some regulators have responded in a sensible way, others have not. This has created substantial uncertainty within the industry about whether new costly, burdensome, bank-centric regulations will be applied to insurers. Such uncertainty tends to discourage investment in new activities, and thus new job growth, at a time when new investment and jobs are sorely needed. Congress should monitor such federal regulatory incursions closely and consider amendments to DFA when necessary to protect our historically effective state regulatory system.

Systemic Risk Regulation and Resolution. The Financial Services Oversight Council (FSOC) is responsible for monitoring financial firms that have the potential to pose "systemic risk" to the economy as a whole so that regulators can intervene to limit highly risky activities, some of which had been relatively unregulated in the past. While this is a worthwhile goal, its success depends on the ability of the FSOC to accurately identify firms posing true systemic risk and to respond to those risks in an appropriate manner. Conversely, regulators must refrain from applying burdensome and costly systemic risk regulation to entities that are not systemically risky, as this only harms those firms without advancing the goal of thwarting systemically risky activities.

Property casualty insurance companies, even large ones, are generally not systemically risky. They do not have the characteristics of systemically risky firms, *i.e.*, they are not highly leveraged, are not highly interconnected with other financial firms, pose no "run on the bank" threat, are highly competitive with low market concentration, have low failure rates, and have an effective regulatory system for resolving those few firms that do fail. Even the failure of a very large property casualty insurer would have no significant impact on the overall US economy. The impact would be limited to a temporary disruption in the property casualty market, which would be quickly ameliorated as other insurers pick up the business of the failed company.

Moreover, state insurance regulators do not permit insurance companies that exist within groups to endanger their own financial stability by subsidizing other financial firms within the group. Assets supporting insurance liabilities are ring-fenced and are unavailable to bail out other affiliated companies. DFA turned this principle on its ear when it allowed regulators to require insurers to serve as a source of strength for troubled non-insurer subsidiaries or affiliates.

Under DFA, some insurers may also be called upon to pay assessments to help defray the government's costs in resolving non-insurer financial firms. Forcing insurers to subsidize the federal system for resolving failed banking and securities firms (with no subsidies running from those companies to insurers) is unfair, but more importantly, it creates a moral hazard and may prompt banks and securities firms to engage in riskier activities than might otherwise be the case if they believed that the costs of those activities would only be borne within their own industry. The insurance industry has its own state-based, self-financed system for resolving failing companies and for ensuring that most policyholders of such companies are made whole. That system does not rely on financial support from other industries. DFA, in contrast, provides that federal regulators can place liens against an insurer's assets, over the objections of state insurance regulators, to secure the assets of an affiliated non-insurer firm.

In part to guard against the imposition of inappropriate, bank-centric regulation to insurers, the Congress wisely chose to include three representatives of the insurance and regulatory communities on the FSOC. The only voting member, however, is an insurance member appointed by the President. Non-voting members are the FIO Director and a state insurance regulator. Roy Woodall has only just been nominated as the insurance expert on the FSOC, and his Senate confirmation hearing was held on Tuesday of this week. The FIO Director, Michael McRaith, just took office last month. Thus, the considerable preliminary work the bank-centric FSOC has already done on systemic risk rules has been conducted without the participation of two of the three insurance representatives who should have been there. Only the insurance regulator, John Huff, has participated in the discussions. Both Mr. Woodall and Mr. McRaith are former insurance regulators who bring a wealth of knowledge and experience to the FSOC.

The Committee should urge that the FSOC refrain from issuing rules affecting insurers until such time as they can be informed by the considerable expertise of <u>all</u> of the insurance representatives on the FSOC. This is an important part of the Committee's overall responsibility to monitor and oversee federal financial regulators to ensure that they do not misuse their regulatory power in ways that are inappropriate and detrimental to insurers and their policyholders and that avoid unnecessary regulatory conflicts between state insurance regulators and federal financial regulators.

Federal Insurance Office (FIO)/Office of Financial Regulation (OFR). The creation of the new Federal Insurance Office marks the first time that the federal government has had any general oversight authority over the insurance industry. While Congress was careful to state that the FIO will have no regulatory authority, it does have substantial powers to study, collect information, and issue reports on various aspects of the insurance industry as well as to preempt state laws in limited circumstances where they conflict with Treasury-negotiated international agreements. One of the most significant potential areas for abuse is FIO's authority to collect information on the insurance industry. This creates the potential for extremely costly and burdensome data calls on insurers, which ultimately negatively impacts consumers. Congress sought to discourage this by providing that all data calls are subject to the cost-benefit requirements of the Paperwork Reduction Act and that the FIO must first go to state regulators and other public sources for information and seek data from insurers only when it is not available elsewhere.

Similarly, the new Office of Financial Regulation (OFR) has substantial power to make data calls on insurers. That office, too, is required to obtain information from state regulators and publicly available sources before going to insurers (and FIO is required to seek information from OFR before seeking it from insurers).

Congress should monitor the activities of both OFR and FIO closely to guard against "mission creep" and to ensure that both agencies remain faithful to their statutory obligations.

Swaps. DFA included language regarding the definition of swaps and derivatives that could have been interpreted to include property casualty insurance contracts. We appreciate the efforts of the SEC and the CFTC to clarify in their rules that property casualty insurance contracts are excluded from the definition of a derivative.

Volcker Rule. DFA sought to impose new rules on banks that would prevent a perceived conflict of interest under which banks trading for their own account favored themselves and disadvantaged their customers. Some early versions of the legislation left open the possibility that these proprietary trading restrictions could be applied to insurers, and would inhibit not only their ability to invest assets responsibly but also state regulators' ability to regulate those investments. As passed, the Volcker Rule included an exemption for activities conducted by a regulated insurance company, though there is still the potential for federal regulators to intervene if they believe state insurance investment regulations do not adequately protect the safety and soundness of an affiliated banking entity or US financial stability. Congress should monitor this carefully to ensure that this limited ability to impose Volcker Rule restrictions on insurers is not used inappropriately.

Surplus Lines. Surplus lines insurers respond to insurance needs where the traditional or state-regulated (admitted) insurance market may not be able to provide coverage for a given type of risk. Congress wisely included provisions in DFA to help streamline compliance with state surplus lines laws on risks located in multiple states. The home state of the insured will generally have exclusive authority to regulate surplus lines transactions, including taxation, but DFA also encourages states to enter into compacts or agreements with other states on how to allocate taxes among states on multi-state risks.

To date, 43 states have enacted legislation to amend their state laws to conform to some or all of the surplus lines provisions of DFA. However, state implementation has been far from uniform, especially with respect to tax allocation. As a result, compliance standards for all stakeholders (insurers, brokers, agents and insureds) are not clear. We urge the Committee to monitor developments closely and to consider whether additional federal pressure on states to achieve uniformity may be needed.

Reinsurance. DFA included some positive provisions designed to streamline the regulation of reinsurance without inappropriate federal intrusion by limiting the authority to regulate certain reinsurance transactions involving multi-state risks to a single state. However, the FIO's authority to preempt state laws that conflict with international agreements negotiated by Treasury is a concern. This authority seems aimed primarily at existing US rules under which foreign reinsurers must post collateral protecting 100% of their liabilities in the US. Foreign reinsurers and governments have put considerable pressure on the US to lower or eliminate these collateral requirements, arguing that they constitute a trade barrier. PCI and NAMIC strongly believe that collateral is important to protect the interests of US insurers who purchase reinsurance from overseas reinsurers. The NAIC is seeking to enact changes to the law that will hopefully strike the right balance between protecting the interests of US insurers and addressing the complaints of foreign governments and reinsurers. We are working hard to forge a consensus on this issue, but Congress should monitor the FIO closely to ensure that it does not inappropriately seek to preempt such a consensus via the use of its preemption powers.

Consumer Financial Protection Bureau (CFPB). Unlike in the systemic risk world, DFA did recognize that consumer protection for insurance policyholders is already effectively handled at the state level. Thus, in establishing the new Consumer Financial Protection Bureau, Congress included a strong exemption protecting state regulatory authority and preventing the CFPB from regulating insurance. Insurers are nevertheless concerned that those who run the CFPB will seek to find "back door" ways to regulate insurance, for example, by seeking to regulate the circumstances under which lenders may purchase "creditor-placed" coverage for their borrowers who fail to demonstrate that they have obtained the required coverage on their property.

Explosion of Other Federal Regulation – In Addition to DFA Rules

Health Impact. While the Patient Protection and Affordable Care Act (PPACA) affected health insurers primarily, it had significant impacts on property casualty insurers as well. Perhaps most alarming to property casualty insurers is the precedent PPACA sets for federal involvement in insurance rate regulation. State regulators have wisely been moving away from stringent rate regulation in commercial lines (though not personal lines), and the prospect of uninformed federal intrusion is of extreme concern.

The PPACA also: (1) created retroactive liability under the Black Lung Benefits Act for certain claims that had been made not compensable in 1981 and for which insurers had received no premium; (2) required the Secretary of Health and Human Services (HHS) to recommend whether workers compensation insurers and automobile insurers should be brought within the HIPAA administrative simplification requirements, which are geared towards health insurance transactions, not property casualty medical transactions (potentially without adequate recognition of the differences); and (3) would have added significant accounting and paperwork costs for property casualty insurers under the now repealed expansion of IRS Form 1099 reporting.

Medicare Secondary Payer. Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 requires insurers to determine whether claimants under property casualty policies are enrolled in Medicare. If they are, insurers must report over 200 data elements, many of which insurers had never collected. Insurers are expected to base their determination of Medicare status from information provided by claimants. However, claimants are often unwilling to cooperate and Congress did not provide insurers any tools to compel cooperation. There are equally significant burdens placed on insurers by the Centers for Medicare and Medicaid Services (CMS) in efforts to recover amounts claimed to be owed to Medicare. Rules imposed on insurers often: (1) are based on a lack of understanding of property casualty coverages and claim processes; (2) impose requirements that increase costs but not Medicare's MSP recoveries; and (3) fail to provide insurers with adequate and timely information needed to determine amounts to be reimbursed to Medicare.

International Regulation

The financial services industry is becoming more global in nature, and the insurance sector of that industry is no exception. Thus, regulators around the world are properly engaged in discussions on how to foster needed cooperation between regulators of financial firms that do business internationally, including insurance regulators. While international regulatory cooperation is a legitimate and worthy goal, insurers are concerned that these discussions appear to be moving beyond cooperation and toward developing mechanisms for international cooperation and toward the development of international regulatory and enforcement mechanisms where they are not appropriate.

Global Systemic Risk Regulation. For example, the Financial Stability Board (FSB) and the International Association of Insurance Supervisors (IAIS) continue to try to develop a system for determining whether international insurance groups should be subject to additional regulation as "global systemically important financial institutions" or "G-SIFIs." However, in significant ways, their work appears to be largely uncoordinated with the US Financial Stability Oversight Council's systemic risk deliberations. Indeed, a recent FSB paper[2] sets expected deadlines for national regulatory authorities to take certain actions with regard to resolution and recovery plans for G-SIFIs, beginning with year-end 2011. The paper comments summarily that their recommendations' "effective implementation would entail changes in laws and regulation, supervisory practice and cross-border cooperation as well as within firms."[3] This ignores the fact that final US financial firm resolution rules are unlikely to be in place by that time.

The International Association of Insurance Supervisors (IAIS) is made up of insurance regulators from around the world. It seeks to coordinate insurance regulation for insurers doing business globally. The NAIC participates in the IAIS, but again the IAIS is not directly accountable to the US and its decisions can have an adverse effect on insurance regulation in the US.

European Solvency Regulation. The European Union is in the process of developing a revised solvency regulation system, known as Solvency II. That new system does not go into effect until 2013. Nevertheless, portions of the Solvency II insurance regulatory system have already been incorporated in new and binding IAIS Insurance Core Principles (ICPs) and standards that will be the basis of the next US Financial Stability Assessment Program (FSAP) review by the International Monetary Fund and the World Bank. The current version of the IAIS' project to

[2] "Effective Resolution of Systemically Important Financial Institutions – Recommendations and Timelines", July 19, 2011, pp. 18-19.
[3] Effective Resolution, supra, p. 8.

develop a “common framework for the supervision of internationally-active insurance groups” (ComFrame) proposes that all IAIS member jurisdictions (which include the NAIC and will include the FIO) be required to implement ComFrame when it is fully developed. In addition, the development of international accounting standards for insurers will almost certainly affect US GAAP and regulatory accounting systems for insurers. Although the NAIC is seeking to respond to these international developments by working on modernization of US solvency regulation, the NAIC is under pressure to comply with the prematurely enacted ICPs.

General Concerns. Some of the recent international developments represent improvements in international regulation. Insurers strongly support better coordinated oversight of holding company risk management, and we see significant promise in the ComFrame project to improve cooperation between regulators and increase the efficiency of group supervision, if it is properly limited. Similarly insurers are working with the NAIC in its solvency modernization process to make state regulation more efficient and effective. Nevertheless, insurers are quite concerned that international non-governmental bodies without legislative accountability and transparency are moving from developing best practices to attempting to impose binding standards. This poses the risk that European Union systems will be applied to US insurers when those systems have been developed for different markets and corporate structures that are less conducive to economic growth than the US structure. Such systems also fail to recognize that the US system is partially regulated through general corporate law and an expensive tort system. The conflict could result in the addition of new layers of duplicative and inefficient regulation for US insurers atop the currently effective, but expensive US model.

Future of Insurance Regulation

In the near term, US insurers will be dealing on multiple regulatory fronts to an extent they have never known. In addition to traditional state regulation, insurers will be buffeted by new regulations from various federal agencies and from international regulatory bodies. We see international insurance regulation converging toward global standards to some degree, but certainly not completely. There will be continuing (and perhaps greater) pressure on US regulators to become more Euro-centric and more highly-influenced by banking regulators, which can lead to complex, costly, burdensome new regulations that are duplicative of state regulation and inappropriate to the industry. While many of these regulations may be well intended, the “law of unintended consequences” threatens to create increased competitive imbalances and resulting harm to the US insurance marketplace.

These threats make it more important than ever that the bodies responsible for US insurance regulation and its oversight keep their heads and focus on the actions necessary to properly regulate the US marketplace. The U.S insurance regulatory system scored very well in a recent review by the International Monetary Fund, and we have no reason to believe that will not continue even as the US is pressured to harmonize insurance regulations with new international standards. Some of the standards, however, are simply inappropriate for the US market, and we have encouraged the NAIC that, while international convergence is important, making the proper decisions for US regulation is paramount. We are encouraged that senior regulators and NAIC leadership appear to agree.

Upcoming Congressional Issues

There are a number of issues that impact property casualty insurers that Congress is addressing or will address in the near future.

National Flood Insurance Program (NFIP). The National Flood Insurance Program will end on September 30, 2011, without further Congressional action. The House has passed legislation (H.R. 1309) and the Senate Banking Committee is scheduled to “mark-up” legislation next week. However, that leaves very few days on the Congressional calendar to get this legislation consolidated and enacted before the September 30 deadline. As the program lapsed four times in 2010, and has been the subject of ten short-term reauthorizations, it is now time to extend this program for at least five years and make other needed reforms to ensure that the 5.6 million property owners that rely on this vital program can continue to do so. Each program lapse causes significant disruptions in the vulnerable housing markets at a time when the US economy, and particularly the housing sector, is struggling to recover from the recent financial crisis.

Terrorism Risk Insurance Act (TRIA). The Terrorism Risk Insurance Act is a critical backstop to the private insurance market, due to the potential for a single terror incident to exceed the capacity of the property casualty insurance industry in the US. TRIA regulations have thus far maximized use of existing and effective state insurance regulatory tools, while minimizing federal intrusion. It will be critical for this approach to continue when Congress takes up renewal of TRIA in 2014.

DFA Oversight. Given the sheer number of rules various federal agencies will promulgate pursuant to DFA, the oversight role of Congress has never been more important. DFA left much to the discretion of regulators. While some will exercise that discretion responsibly, others may be tempted to assume regulatory powers that Congress did not intend, particularly with respect to insurers. We urge Congress to be aggressive in its oversight responsibilities and to hold frequent oversight hearings to help ensure that federal regulators focus on DFA’s primary objective, i.e., to identify and ameliorate systemic risk, and not on extraneous matters that produce burdensome regulation with no economic benefit.

DFA also requires that numerous studies be completed, the first of which is an annual report due this fall from the FIO on the state of the insurance market. Studies are also being conducted on surplus lines standardization, reinsurance, reports on underserved segments of American consumers, as well as a host of other issues.

What Congress Should Consider Prioritizing

We strongly urge the Financial Services Committee to be aggressive in exercising its oversight authority over the myriad federal regulations now being drafted and promulgated to implement the Dodd-Frank Act, and to monitor closely international developments that may have negative impacts on US regulation. As you do, we urge you to keep the following principles firmly in mind:

- The US property casualty insurance industry is a strong job creator, which performed well during the recent financial crisis and has generally been well-served by state insurance regulators.
- Congress should exercise its oversight powers to ensure that federal regulators implementing the Dodd-Frank Act refrain from intruding inappropriately on state insurance regulation, and especially from imposing bank-centric regulations on insurers.
- International regulatory developments pose a threat not only to the US insurance industry, but also to the authority of both state and federal regulators. Congress should pay careful attention to these issues, and be prepared to exert influence as appropriate to prevent inappropriate international incursions into the jurisdiction of US regulators.

- Congress should pass legislation reauthorizing the National Flood Insurance Program (NFIP) for at least five years, and should include reforms to that program along the lines of those included in the House-passed H.R. 1309.

Thank you again, Chairman Biggert, for inviting me to share my thoughts and concerns with you today. I would be pleased to answer any questions you and other members of the Subcommittee may have.

United States House of Representatives
Committee on Financial Services

"TRUTH IN TESTIMONY" DISCLOSURE FORM

Clause 2(g) of rule XI of the Rules of the House of Representatives and the Rules of the Committee on Financial Services require the disclosure of the following information. A copy of this form should be attached to your written testimony.

1. Name:	2. Organization or organizations you are representing:
ANDREW FURGATCH	PCI/ NAMIC

3. Business Address and telephone number:

[redacted]

4. Have you received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?	5. Have any of the organizations you are representing received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?
☐ Yes ☒ No	☐ Yes ☒ No

6. If you answered .yes. to either item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.

7. Signature:

Please attach a copy of this form to your written testimony.