

Rep. Dold Opening Statement – May 18, 2012 – IH Hearing

As we all know, our insurance industry is a large and critical component of our financial services industry and of our economy generally.

The insurance industry directly employs well over 2 million Americans with stable and well-paying private-sector jobs.

Our insurance industry is also the source of many billions of dollars of private-sector investment capital every year. These insurance-industry investments help other businesses start, expand, and create even more good, stable, and well-paying private-sector jobs in all kinds of other industries.

And, while directly and indirectly supporting so many private-sector jobs, our insurance industry provides many millions of policy-holders with peace of mind, security, and compensation in difficult, unfortunate, and sometimes very tragic circumstances.

Historically, an important component of the insurance industry's positive impact on our economy has been a largely predictable, reasonable, and successful domestic regulatory framework.

This regulatory framework is one important factor in the industry's ability to withstand many economic downturns, including the most recent recession, during which we suffered no significant insurance company failures from actual insurance operations.

One reason for the insurance industry's resilience has been that our policy-makers and regulators have always understood that the insurance industry is fundamentally different than the banking industry.

The two industries have very different business models, purposes, and risks, and so they must have different regulatory objectives and standards.

So, as we consider emerging proposals to coordinate international insurance regulations, we must avoid undermining our historically successful insurance industry regulatory framework, whether by improperly super-imposing banking industry regulations or otherwise.

We must also ensure that U.S. domiciled insurance companies are not placed at a competitive disadvantage in future international agreements and that we remove barriers to foreign insurance markets.

This will inevitably raise difficult questions about the interaction between federal and state regulations, the interaction of regulations among the different states, and how our domestic regulations and trade agreements compare to those of foreign nations in an inter-connected global marketplace.

In the end, our objective is help create the conditions that will maximize private-sector job growth, economic prosperity, and global competitiveness, while also ensuring that consumers are adequately protected and have access to a broad range of affordable insurance products.

Finally, I'd like to thank our witnesses for sharing their time, testimony, and experience, and I'd like to thank Chairwoman Biggert for holding this hearing and for her leadership on these very important issues.

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