



Office of Congresswoman Jackie Speier Press Release

Contact: Mike Larsen - (202) 225-3531 (202) 957-4340(cell) Mike.Larsen@mail.house.gov

FOR IMMEDIATE RELEASE

September 16, 2008

Congresswoman Speier: Insurance Information Act bad for consumers.

Washington, DC – Congresswoman Jackie Speier (D- San Francisco/San Mateo) released the following statement in regards to HR 5840, the Insurance Information Act of 2008, which is scheduled to be considered by the House of Representatives tomorrow, September 17 under suspension of the rules:

“HR 5840 sets a dangerous precedent by allowing the Secretary of the Treasury, through the Office of Insurance Information, to pre-empt any state insurance law or regulation that it deems discriminatory toward foreign companies. Since laws and regulations are, by definition, discriminatory – legislating who can and cannot write policies, and under what circumstances – this proposed law could have broad and far-reaching consequences. It could water down protections put in place for a state’s residents and substitute them with much weaker standards advocated by a foreign insurer.

“California has the strongest insurance consumer protection laws in the nation and is vigilant about the financial integrity of insurance companies. It is also prone to natural disasters like earthquakes, wildfires and floods. Under HR 5840, if a foreign insurer objects to some part of a California law or regulation and the Secretary of the Treasury deems it to be inconsistent with federal policy, the Secretary could pre-empt the state, compounding the disaster for consumers who can no longer rely on the policies they’ve paid into.

“This is the equivalent of the Food and Drug Administration having the power to pre-empt a state’s food labeling laws because a company in Mexico disagrees with them, or the Consumer Products Safety Commission pre-empting toy-safety laws because China objects.

“Insurance has been the purview of the states for over fifty years and Congress has wisely recognized that states have individualized needs and the unique ability to address its consumers. While this bill does not automatically federalize America’s insurance industry, the establishment of the Office of Insurance Information, empowered with the ability to pre-empt state laws and regulations, is the camel’s nose under the consumers’ tent toward abolishing hard-won protections.

“I join Maine’s Governor Tom Baldacci and Attorney General G Steven Rowe, the Insurance Commissioners of Ohio, Maine and Vermont, and the National Conference of Insurance Legislators, National Conference of State Legislatures, Public Citizen, U.S. PIRG, Center for Economic Justice, and the Consumer Federation of California in urging Congress to reject this bill which represents the first step in a long-standing insurance industry fantasy to nationalize insurance regulations and strip state insurance commissioners and legislatures of their right to protect consumers and guarantee that insurance is accessible to all citizens.”

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