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August 17, 2015

Honorable Michael McRaith
Federal Insurance Office
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington DC 20220

Re: *Appointment and Implementation of the National Association of
Registered Agents and Brokers (NARAB) Board*

Dear Director McRaith:

The American Association of Managing General Agents (AAMGA), represents the wholesale agents and brokers in the United States invested with delegated binding authority from domestic and international insurance markets. In underwriting year 2014, members wrote a combined \$23.7 billion of annual written premium.

Since 2001, the AAMGA has been working together with Members of Congress, the National Association of Insurance Commissioners (NAIC) and other professional trade associations in an effort to modernize and streamline multistate agent and broker licensing regulations so as to create greater operational efficiencies while, at the same time, ensuring protection for private and commercial consumers. In 2007, we advanced the immediate need for and passage of the National Association of Registered Agents and Brokers Act (NARAB II), as a means to effectuate the benefits of the legislation for industry and policyholders alike.

We were pleased to be among the coalition of industry representatives, and the bipartisan coalition in Congress, advocating the attachment of NARAB II to the Terrorism Risk Insurance Program Reauthorization Act, H.R. 26, which was passed by both Houses of Congress by a broad mandate, and then signed into law by the President on January 12, 2015.

Unfortunately, the benefits of NARAB II are not able to be realized until such time as a board is appointed. It is vitally important that the law be implemented as intended as soon as possible. Industry has worked diligently for 8 years, and now that the provisions of the legislation have been signed into law 8 months ago, we respectfully request your immediate selection and appointment of the NARAB board members.

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The Federal Insurance Office is acutely aware of the state of burdensome regulations in the insurance marketplace. Compliance with many of those regulations continue imposing unrealistic operational and overhead costs without any benefit to the consumer or industry and, similarly, have a chilling effect on the innovation which is so vital to the every day and emerging risk exposures being underwritten by wholesale insurance professionals across the country. Implementation of NARAB's provisions will reduce operational and compliance costs, while maintaining necessary agent and broker licensing standards and consumer protections.

The necessity for implementing the structure envisioned by NARAB was evaluated, debated, and has been continually refined since 1999 when the Gramm-Leach-Bliley Act was passed attaching a NARAB provision. No impediments exist to preclude the full and immediate implementation of NARAB.

In light of the foregoing, we respectfully urge you to move forward in selecting and appointing the NARAB Board immediately, such that the remaining provisions of the law can then be effected. We will be pleased to provide any additional information or assistance to the Federal Insurance Office in order to expedite this process.

Implementation of the NARAB law is an essential component of modernizing and harmonizing domestic insurance regulation. We look forward to hearing from you as to when these needed actions can be expected.

Respectfully yours,



Bernd G. Heinze
Executive Director