



November 21, 2007

Delivery via Electronic Transmission

Mr. Jeffrey Stoltzfoos
Senior Advisor
Office of the Assistant Secretary for Financial Institutions
U.S. Department of the Treasury
Washington, DC 20220

Re: TREAS-DO-2007-0018

Dear Mr. Stoltzfoos:

On behalf of the Interstate Insurance Product Regulation Commission (“IIPRC”), I am pleased to submit the following comments in response to the United States Department of the Treasury Request for Comments on the “*Review by the Treasury Department of the Regulatory Structure Associated with Financial Institutions.*”

In particular, the IIPRC submits these comments in strong support of the state-based insurance regulatory system in the United States as pertains to the questions posed in *Section II. Specific Issues (2.2.1-4) Insurance* of the Treasury Request for Comments.

As a new interstate compact with thirty (30) member states to date, the IIPRC leverages the expertise of time-tested regulatory oversight at the state level into a modern, national approach towards insurance product regulation. With the commitment to speed-to-market, uniform standards and efficiency, the IIPRC has created a “one-stop shop” for product filing approval of asset-based insurance products (life insurance, annuities, disability insurance, and long term care insurance) while continuing to uphold the strong bar on consumer protection which is the hallmark of the state-based insurance regulatory system.

The ability to make *one* product filing, under *one* set of national standards for *one* approval within a 60-day turnaround time that is valid in all 30 jurisdictions benefits consumers, the insurance industry and the regulatory system by promoting quicker access to more competitive, sound insurance products in the United States. The IIPRC demonstrates the proactive responsiveness of the state-based regulatory system in meeting the demands of the evolving global financial marketplace while maintaining important consumer protections. This is accomplished without added budget burdens on state government or taxpayers.

The IIPRC is building on its successful foundation set during 2006-2007 by expanding its operations, and looks forward to additional states joining our membership in 2008. Working with the entire insurance regulatory community in cooperation with the National Association of Insurance Commissioners (NAIC), along with state legislators, consumer representatives and the insurance industry, the IIPRC engages all constituencies to meet our financial regulatory modernization goals. Below is a brief Update highlighting the Compact's accomplishments to date and development plans.

INTERSTATE INSURANCE COMPACT UPDATE

- **BACKGROUND:** The Interstate Insurance Compact ("Compact") is a key state-based regulatory modernization initiative that enhances the efficiency and effectiveness of the way insurance products are filed, reviewed and approved in the United States. The Compact's new streamlined processes provide speed-to-market for the insurance industry, thus affording consumers quicker access to more competitive insurance products. By promoting uniformity through application of national product standards embedded with strong consumer protections, the Compact is meeting the demands of consumers, industry and regulators in the ever-changing, global financial marketplace.
- **COMPACT MISSION:** The Compact has been adopted by 29 States and Puerto Rico to date, representing one-half of the premium volume nationwide. The Compact established a multi-state public entity, the Interstate Insurance Product Regulation Commission ("IIPRC") which serves as an instrumentality of the Member States. The IIPRC is the central point of electronic filing for asset-based insurance products, including life insurance, annuities, disability income, and long-term care insurance. By leveraging the insurance regulatory expertise of the states, the Compact is able to employ one set of standards with the highest level of consumer protection on a national level through the Compact's collective framework. To be funded by filing fees, the Compact implements its modernization goals without impinging on state budgets.
- **COMPACT STATUS TODAY:** Within one year of its establishment, the IIPRC brought its central product filing operations on-line and received its first filings from insurers in June 2007. The Compact defines its speed-to-market mandate by providing a 60-day turnaround time for Compact filings. The initial Compact filings were reviewed and approved in under 30 days. The IIPRC continues to receive initial filings from large, medium and small sized insurers as companies begin to assess the Compact's new national standards which took effect in 2007. During its continued operational startup, the IIPRC is working to build the highest-caliber, modern electronic product filing platform to meet the increasing number of Compact filings anticipated as the IIPRC completes its operational build-out in 2008.

- KEY MILESTONES/PLANS:
 - June 2006: Inaugural Meeting of the IIPRC in Washington, DC
 - December 2006: First Uniform Life Standards Adopted by Members
 - May 2007: 30 Member States/One-half of National Premium Volume
 - June 2007: Operations Initiated On-Target/First Insurer Filings Received
 - July 2007: Two (2) Initial Product Filings Approved in Under 30 Days
 - September 2007: Compact Filing Fees Implemented
 - October 2007: Compact Continues to Receive Initial Filings from Insurers
 - December 2007: Planned Expansion of Filing Operations and Staffing
 - January 2008: 36 Standards Effective/Increased Filings Volume Expected/
Additional States Anticipated to Join Compact

Thank you for this opportunity to submit comments and provide an update on the developments in state-based insurance regulation under the Interstate Insurance Compact.

Sincerely,



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