

Opening Statement

March 31, 2004

Subcommittee on Capital Markets, Insurance and Government Sponsored Entities
Working with State Regulators to Increase Insurance Choices for Consumers

Mr. Chairman,

First let me thank Chairman Oxley and Subcommittee Chairman Baker for their efforts to assemble a proposal that will modernize the insurance industry. I also want to thank everyone for coming in today, and give a special thanks to Superintendent Serio for his leadership on this subject. He has served New York well and we appreciate everything he is doing to reform the insurance market in my home state. In addition, I would like to thank Ms. Ochenkowski for her willingness to come down today and help the committee move forward with it's comprehensive reforms.

I don't have to remind anyone here how important the insurance industry is to this country. For most, insurance provides the first layers of security for families and individuals when tragedy strikes. And while all of us hope that we never have a need to exercise our policy, it is necessary for most American's to have the security of knowing they'll still be able to pay their mortgage and put food on the table should something occur.

Since before I came to Congress, modernizing the insurance regulatory structure has been a critical issue throughout the industry. The problem our nation faces is not a new one. Sectors of this industry must continuously transform themselves to remain competitive. There's no question the states have been working feverishly to come to a consensus on a number of issues, however this effort has lacked the uniformity to consider the effort a success. Whatever regulatory structure is in place must have both uniformity and the flexibility to change as the industry changes. Without uniformity, competition is disadvantaged, prices remain unnecessarily high, and consumers suffer. Many people throughout the industry agree a dual regulatory system, similar to what we have seen work in the banking sector, is the right solution to this problem. While a dual system might be something to move towards down the road, I believe it is only prudent at this time, to support the incremental steps Chairman Oxley and Chairman Baker have proposed, allowing limited federal involvement a chance.

I want to thank everyone again for coming in today. I look forward to working with both my constituents and the industry in developing legislation with the intent of creating a more competitive insurance market, inevitably resulting in more choices and lower costs to people in Staten Island and Brooklyn looking for their first layer of security.