



April 25, 2018

The Honorable Tim Scott
United States Senate
Washington, DC 20515

The Honorable Tammy Baldwin
United States Senate
Washington, DC 20515

The Honorable Joe Manchin
United States Senate
Washington, DC 20515

The Honorable Mike Rounds
United States Senate
Washington, DC 20515

Dear Senators Scott, Baldwin, Manchin and Rounds:

On behalf of the members of National Taxpayers Union (NTU), I write to express our support for S. 2702, the Business of Insurance Regulatory Reform Act of 2018. Your bipartisan legislation provides much needed legislative clarity to one of the myriad of ill-conceived regulations created under the 2010 financial regulatory overhaul known as Dodd-Frank.

Title X of the Dodd-Frank Act explicitly exempts the business of insurance from rules enacted by the Consumer Financial Protection Bureau (CFPB) and reiterates that insurance regulation is reserved to state governments. However, as is often the case with the CFPB, a powerful agency of unelected, unaccountable bureaucrats, it has begun to test the boundaries of its authority by taking enforcement actions that fall outside its jurisdiction. These actions have created uncertainty within the market and presented serious challenges to the principles of federalism.

The mounting evidence of regulatory overreach from the CFPB demonstrates the need for added clarification to where the CFPB is permitted to operate. State regulation of insurance has been law since the passage of the McCarran-Ferguson Act in 1945, which codified the delegation authority of regulation from Congress to the state level. S. 2702 reaffirms once again that the federal government - and, in particular, the vague CFPB bureaucracy - cannot interfere with the current regulatory regimes that rests in states' powers.

This legislation is an important step towards increasing accountability at the CFPB as the Trump administration contemplates the agency's future. We are encouraged by the continued progress Congress is making to keep this agency in check as it undergoes a long-overdue review by the executive branch. NTU looks forward to working with you and the rest of the Congress to end the overly broad powers granted to the CFPB and restore common sense practices to financial regulation.

Sincerely,
Thomas Aiello
Policy and Government Affairs Associate