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MEMORANDUM

October 18, 2011

To Our Clients and Friends

Re: Treasury Seeks Input on How to Improve Insurance Regulation in U.S.

The Treasury Department's Federal Insurance Office ("FIO") has issued a notice and request for public comment on how to improve the system of insurance regulation in the United States. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), the FIO is required to conduct a study on how to modernize and improve the system of insurance regulation in the United States, and submit a report of its findings to Congress within 18 months of enactment of the Dodd-Frank Act (that is, by January 21, 2012). Comments are due on December 16, 2011.

Commenters are invited to submit views on, among other things:

- Systemic risk regulation with respect to insurance
- Capital standards and the relationship between capital allocation and liabilities
- Consumer protection for insurance products and practices
- The degree of national uniformity of State insurance regulation
- The regulation of insurance companies and affiliates on a consolidated basis
- International coordination of insurance regulation
- The costs and benefits of potential Federal regulation of insurance across various lines of insurance (except health insurance)
- The feasibility of regulating only certain lines of insurance at the Federal level

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- The ability of any potential Federal regulation or Federal regulators to eliminate or minimize regulatory arbitrage
- The impact that developments in the regulation of insurance in foreign jurisdictions might have on the potential Federal regulation of insurance
- The ability of any potential Federal regulation or Federal regulator to provide robust consumer protection for policyholders
- The potential consequences of subjecting insurance companies to a Federal resolution authority.

A copy of the notice can be found at our website at
<http://www.schwartzandballen.com/news.html>

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox, Heidi Wicker or Lauren Bianchini at (202) 776-0700.