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**Congress of the United States**  
**House of Representatives**  
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Statement of Congressman Carson  
Subcommittee on Capital Markets, Insurance and GSEs  
"Systemic Risk and Insurance"  
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Thank you, Chairman Kanjorski for your leadership on this Subcommittee and for your dedication to ensuring that insurance regulatory reform consideration in the House is inclusive and thorough.

In our third hearing in the 111<sup>th</sup> Congress pertaining to insurance reform, the issues we are debating are critical to broader concerns of systemic risk in the financial services regulatory restructuring discussion.

As the Representative from Indiana's Seventh Congressional District, where both the National Association of Mutual Insurance Companies, represented here today, and the National Conference of Insurance Guaranty Funds are headquartered, I appreciate the depth of the debates in this Subcommittee regarding insurance modernization.

Today, as we delve further into global competitiveness and systemic risk mitigation, I believe it is important to reconcile efforts to fix obvious regulatory gaps while maintaining effective oversight structures.

I understand and share in the anger over the bailout of AIG. We have learned the hard way that fragmented and lax oversight of insurance products, such as credit default swaps, can have disastrous results. However, I also understand that most insurance companies that are closely regulated by the states were not responsible for flooding the market with these high-risk and over-leveraged products.

And while there are undeniable strengths to our state regulatory structure including consumer protection and the ability to respond to local conditions, I remain concerned about the lack of insurance information and expertise on a federal level.

I believe the creation of a federal office with comprehensive and timely data regarding products and trends is a key component to insurance modernization.

With that, I look forward to discussing these concerns with the witnesses today and I yield back my time.