

## Federal Insurance Office Act

- **Financial Insurance Expertise:** Insurance plays a vital role in the smooth and efficient functioning of our economy, but the credit crisis highlighted the lack of expertise within the federal government regarding the industry, especially during the collapse of American International Group (AIG) and last year's turmoil in the bond insurance markets. A Federal Insurance Office will provide national policymakers with access to the information and resources needed to respond to crises, mitigate systemic risks, and help ensure a well functioning financial system.
- **International Coordination.** Although America's insurance markets still operate on a state-by-state basis, today's markets are global. The Federal Insurance Office will therefore provide a unified voice on insurance matters for the United States in global deliberations. The Federal Insurance Office and the United States Trade Representative will share the authority to enter into and negotiate agreements with foreign entities.
- **Promote Financial System Stability.** Insurance accounts for 10% of the assets of the financial system and employs almost 40% of the employees in the financial services industry. Having a strong knowledge base at the Federal level of government will be instrumental in helping to promote stability in our financial system.