



Property Casualty Insurers
Association of America
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Jeffrey Junkas
Assistant Vice President, State Government Relations

October 28, 2015

The Honorable Joe Hune
Chairman, Insurance Committee
Michigan Senate
Farnum Building
125 W. Allegan St., Rm 100
Lansing, MI 48933

Re: SUPPORT Senate Bills 177 and 178

Dear Chairman Graves and Committee Members:

The Property Casualty Insurers Association of America (PCI) is a trade association representing nearly 1,000 property and casualty insurance companies that write more than \$183 billion in direct written premium, including 38 percent of the Michigan market.

PCI's mission is to promote and protect the viability of a competitive private insurance market for the benefit of consumers and insurers. To that end, we support passage of Senate bills 177 and 178 to further strengthen the state-based regulation of insurance via the modernization of financial reporting and operations these bills help provide, and are enjoyed in 49 and 34 other states, respectively.

As you know, SB 177 would enact the National Association of Insurance Commissioner's (NAIC) "Model Holding Company Act" focusing on enterprise risk and SB 178 would enact the NAIC's "Own Risk and Solvency Assessment Act" that establishes the regulatory framework for self-evaluation of financial risks. These bills would help empower the director of the Dept. of Financial and Insurance Services (DIFS) to better ascertain any potential broader systemic financial risk an organization may pose and keep DIFS' accreditation standard with the NAIC, which helps protect domestic insurers from direct regulation by other state insurance departments.

For the above reasons, PCI urges a "yes" vote on Senate bills 177 and 178.

Please contact me directly at 847-553-3678 or via email at jeffrey.junkas@pciaa.net with any questions or George Carr, PCI's Michigan counsel, at gmcarr@carrlawfirm.com or 517-371-2577.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Junkas", written in a cursive style.

Jeffrey Junkas

cc: George Carr
Teri Morante, DIFS