

# COALITION FOR COMPETITIVE INSURANCE RATES

For Immediate Release

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## **Neal Bill “Punishes Foreign Competitors” and “Harms US Consumers”**

*New Coalition Letter Warns Congress of Neal Bill Dangers*

Washington, DC (June 7, 2010) – The Coalition for Competitive Insurance Rates (CCIR) today unveiled a letter sent to members of Congress warning them of the dangers of punitive insurance tax legislation currently pending in Congress. The letter, sent to the chairmen and ranking members of the House Committee on Ways and Means and the Senate Committee on Finance expressed concern over HR 3424, introduced by Rep. Richard Neal (D-MA), in addition to a similar proposal within the Obama Administration’s FY 2011 budget. The letter, signed by a broad and diverse coalition of industry leaders, consumer advocates and trade groups, was announced during the annual meeting of the Risk and Insurance Management Society (RIMS).

“RIMS has always opposed proposals to restrict market access to insurance capacity. HR 3424 is a great threat to insurance capacity in the US. Over the past decade it has been proposed several times, not surprisingly by a handful of US insurers which seek to gain via a protected market that would allow them to charge higher prices.” said RIMS board liaison Scott Clark, risk and benefits officer for the Miami-Dade County School Board. “Nothing could be worse for US consumers. Efforts by US insurers to punish foreign competitors do nothing but harm US consumers and these proposals should be rejected.”

The Neal Bill has faced strong opposition from within the global insurance industry as well as from consumer advocates, business leaders and foreign governments. To date insurance and agriculture commissioners from several disaster prone states, as well as representatives from the United Kingdom, Germany, Switzerland and the European Union have stated their objection to the proposal.

CCIR’s letter plainly lays out the objections to this bill: it is bad for consumers, violates longstanding US tax and trade policy, and it creates an anticompetitive marketplace. Support for the Neal Bill comes from only a few powerful and profitable US-based insurers who stand to profit at the expense of American consumers and our trade partners around the world.

"There should be no question that the Neal Bill violates US treaties and WTO commitments. The recent letter sent to Secretary Tim Geithner from the European Union made it clear that this proposal has strong opposition from some of our closest allies," said Nancy McLernon, President and CEO of the Organization for International Investment, a business association representing the US subsidiaries of companies headquartered abroad. "This proposal solely targets non-U.S. companies and is therefore discriminatory in nature and creates an anti-competitive environment for companies who wish to invest in the US insurance market."

The Coalition for Competitive Insurance Rates has submitted similar letters to Congress in recent years in opposition to such discriminatory reinsurance tax proposals. The Coalition is made up of business organizations, consumer advocacy groups, insurers and their associations. For more information please visit [www.keepinsurancecompetitive.com](http://www.keepinsurancecompetitive.com).

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