

DEPARTMENT OF THE TREASURY

Federal Advisory Committee on Insurance

AGENCY: Departmental Offices, Treasury.

ACTION: Notice of establishment of the Federal Advisory Committee on Insurance (FACI) and solicitation of applications for committee membership.

SUMMARY: The Treasury Department has determined that it is in the public interest to establish the Federal Advisory Committee on Insurance. A Charter for the Committee has been prepared and will be filed no earlier than 15 days following the date of publication of this notice. This notice establishes criteria and procedures for the selection of members.

FOR FURTHER INFORMATION CONTACT: C. Christopher Ledoux, Federal Insurance Office, Department of Treasury (202) 622-6813.

SUPPLEMENTARY INFORMATION: Pursuant to the Federal Advisory Committee Act, (Pub. L. 92-463, 5 U.S.C. App. 2 §1-16, as amended), the Treasury Department intends to establish the following advisory committee, pursuant to its Charter:

Title: The Federal Advisory Committee on Insurance (FACI).

Purpose: The purpose of the Committee is to present advice and recommendations to the Federal Insurance Office (FIO) to assist the Office in carrying out its duties and authorities. The FIO will benefit from the knowledge and regulatory experience of the State and Tribal insurance regulators, who are the functional regulators of insurance, as well as the experience and perspective of industry experts and others.

Statement of Public Interest: It is in the public interest to establish, under the provisions of the Federal Advisory Committee Act, the Federal Advisory Committee on Insurance (FACI). The FACI shall be a continuing advisory committee with an initial two-year term, subject to two-year re-authorizations. The Committee will provide a critical forum for State and Tribal insurance regulators and/or officials, distinguished members of the property and casualty insurance industry, the life insurance industry, the reinsurance industry, the agent and broker community, academics, and consumers. These views will be offered directly to the Director of the FIO on a regular basis. There exists no other source within the Federal government that could serve this function.

Background

The FACI has been formed by the authority under 31 U.S.C. §313(h) which authorizes the Secretary of the Treasury to issue orders, regulations, policies, and procedures to implement the FIO. In addition, the authorities of the FIO are carried out pursuant to the direction of the Secretary of the Treasury.

The FIO was established in Subpart A of the Federal Insurance Office Act of 2010 ((31 U.S.C. § 313, *et seq.*), Title V of the Dodd-Frank Wall Street Reform and Consumer Protection Act, P.L. 111-203, 12 U.S.C. 5301 *et seq.* (July 21, 2010)). The FIO's authorities extend to all

lines of insurance except health insurance, long-term care insurance (except that which is included with life or annuity insurance components), and crop insurance. Generally, the duties and the authorities of the FIO are:

- The FIO advises the Secretary of the Treasury on major domestic and prudential international insurance policy issues.
- The FIO Director serves as a non-voting member of the FSOC in an advisory capacity. The FIO has the authority to recommend to the FSOC that FSOC designate an insurer (including affiliates) to be an entity subject to regulation as a nonbank financial company supervised by the Board of Governors of the Federal Reserve.
- The FIO monitors all aspects of the insurance industry, including identifying issues or gaps in the regulation of insurers that could contribute to a systemic crisis in the insurance industry or the U.S. financial system.
- The Director also plays a role in authorizing the resolution of any insurance companies subject to regulation as a nonbank financial company.
- The FIO coordinates and develops Federal policy on prudential aspects of international insurance matters, including representing the United States, as appropriate, in the International Association of Insurance Supervisors (or a successor entity), and assisting the Secretary (with the United States Trade Representative) in negotiating certain written bilateral or multilateral agreements regarding prudential insurance measures with respect

to the business of insurance or reinsurance. The Office assists the Director in determining whether State insurance measures are preempted by such agreement or agreements.

- The FIO monitors the extent to which traditionally underserved communities and consumers, minorities, and low- and moderate-income persons have access to affordable insurance products regarding all lines of insurance, except health insurance.
- The FIO assists the Secretary of the Treasury and other officials in administering the Terrorism Risk Insurance Program.
- The FIO also performs such other related duties and authorities as may be assigned to it by the Secretary of the Treasury.
- In carrying out these functions, the Office may receive and collect data and information on and from the insurance industry and insurers; enter into information-sharing agreements; analyze and disseminate data and information; and issue reports regarding all lines of insurance except health insurance.

Objective, Scope and Description of the Committee

The Committee will advise the FIO on issues related to the responsibilities of the office.

The FACI shall provide its advice, recommendations, analysis, and information directly to the FIO. The FIO may share the FACI's advice and recommendations with the Secretary of the Treasury or other Treasury officials. The FIO will share information with the FACI as the Director determines will be helpful in allowing the FACI to carry out its role.

Members will be selected by the Department from persons with expertise in the area of insurance. Members will be appointed to serve a two-year term. Members will be drawn from State and Tribal insurance regulators and/or officials, industry experts, and others who possess relevant expertise and/or who are familiar with or representative of affected constituencies.

Appointments will be made with the objective of creating a diverse and balanced body with a variety of interests, backgrounds, and viewpoints represented. The FACI shall consist of not more than 15 members.

The Committee will be chaired by a member selected by the FIO and Treasury officials.

The Committee will function for a two-year period before renewal or termination. It will meet periodically, generally four times per year, in Washington, D.C.

The meetings are open to public observers, including the press, unless prior notice has been provided for a closed meeting.

No person who is a Federally-registered lobbyist may serve on an advisory committee. Membership on the Committee is personal to the appointee. Regular attendance is essential to the effective operation of the Committee.

Application for Advisory Committee Appointment

There is no prescribed format for the application. Applicants may send a cover letter describing their interest, reasons for application, and qualifications, and should enclose a complete professional biography or resume.

Some members of the FACI may be required to adhere to the conflict of interest rules applicable to Special Government Employees as such employees are defined in 18 U.S.C. section 202(a). These rules include relevant provisions in 18 U.S.C. related to criminal activity, Standards of Ethical Conduct for Employees of the Executive Branch (5 CFR part 2635), and Executive Order 12674 (as modified by Executive Order 12731).

In accordance with Department of Treasury Directive 21-03, a clearance process including, fingerprints, annual tax checks, and a Federal Bureau of Investigation criminal check. Applicants must state in their application that they agree to submit to these pre-appointment checks.

The application period for interested candidates will extend to [insert date 15 days after publication].

Applications should be submitted in sufficient time to be received by the close of business on the closing date and be addressed to e-mail address conrad.ledoux@treasury.gov or by mail to: The Federal Insurance Office, Department of the Treasury, 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220-0002, Attention: FACI.

Dated:

Jeffrey A. Goldstein
Under Secretary for Domestic Finance