

September 1, 2015

The Honorable Lindsey Graham
United States Senate
Washington, D.C. 20510

The Honorable Patrick Leahy
United States Senate
Washington, D.C. 20510

RE: Support for S. 1561, The Captive Insurers Clarification Act of 2015

Dear Senator Graham and Senator Leahy:

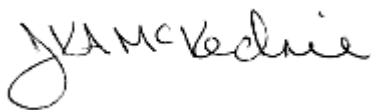
The American Bankers Association and its insurance subsidiary, the American Bankers Insurance Association (ABIA) appreciate your efforts to clarify for state insurance regulators and others in the insurance industry the difference between captive insurance entities and surplus lines insurers. It is very important that this distinction survive state interpretation of the Non-admitted and Reinsurance Reform Act of 2010, passed as a part of the Dodd-Frank Act.

Your legislation to clarify that the Non-admitted and Reinsurance Reform Act does not apply to captive insurers is necessary to avoid potential litigation.

Captive insurance entities are an important tool within enterprise risk management strategies in financial services companies. Non-admitted insurers and the surplus lines coverage they make available to customers is important to everyone. Knowing the difference between the two markets is a crucial part of state regulatory interpretation.

We look forward to working with you to enact this important clarification.

Sincerely,



J. Kevin A. McKechnie
SVP & Director, ABA Office of Insurance Advocacy