

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

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TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, supports H.R. 6427, the "Creating Financial Prosperity for Businesses and Investors Act," and H.R. 5143, the "Transparent Insurance Standards Act of 2016."

The Chamber's recently released blueprint for financial regulatory reform, [*Restarting the Growth Engine, A Plan to Reform America's Capital Markets*](#), contains proposals for enhanced capital formation and business creation, as well as increased transparency and consultation in the negotiation of international agreements on financial regulation or standards. H.R. 6427 and H.R. 5143 are both important steps in achieving those goals.

H.R. 6427, the "Creating Financial Prosperity for Businesses and Investors Act"

H.R. 6427 contains a number of proactive steps to assist business creation and capital formation and build upon the success of the Jumpstart Our Business Startups Act (JOBS Act).

The JOBS Act was passed because the Securities and Exchange Commission (SEC) has ignored the recommendations of the Government-Business Forum on Small Business Capital Formation (Forum) and failed to modernize existing regulations. H.R. 6427 would require the SEC to take affirmative action to move forward or not on the recommendations of the Forum. This bill would also create a Small Business Advocate as an independent office within the SEC, similar to the Investor Advocate, to provide on the impacts of rules and regulations on small businesses and act as a source for new ideas and concepts. Given the steady decline in initial public offerings and a drop in the number of U.S. public companies in 19 of the past 20 years, such an advocate is needed.

H.R. 5143, the "Transparent Insurance Standards Act of 2016"

H.R. 5143 is an important step forward in creating such transparency in the development of international financial standards and would establish common sense opportunities for notice and comment on insurance capital standards set by the International Association of Insurance Supervisors (IAIS). This bill would also provide meaningful opportunities for continued oversight by Congress and the public. Currently, the IAIS is charged with identifying potential systemic risks in the insurance industry and develop international insurance standards. However,

the Chamber has repeatedly noted that the IAIS' regulatory processes suffer from a severe lack of clarity and, at many times, overstate potential risks. While the IAIS has taken some steps to improve its processes, many of these changes have been rushed and have not provided stakeholders an adequate opportunity for public notice and comment. Similarly, the IAIS has proposed standards that penalize the use of many American insurance products, like variable annuities, which would directly impact American policyholders that have long used and purchased such products.

Even more importantly, these standards have direct and foreseeable consequences on the health of the U.S. bond markets. Insurers are substantial investors in the corporate bond markets, providing a ready source of capital for growing companies while also allowing insurers to compensate policyholders quickly and efficiently. Regulatory charges associated with inappropriate insurance standards would reduce the amount of capital available for investment and limit opportunities for additional growth in the economy.

Consequently, the Chamber supports H.R. 5143, which would ensure appropriate oversight of the international insurance standards and encourage the adoption of appropriate and balanced regulatory standards for the diverse American insurance industry, which is critical to the continued health of the U.S. corporate bond markets and the broader growth of the U.S. economy.

The Chamber urges you to support H.R. 6427 and H.R. 5143 and may consider including votes on, or in relation to, these bills in our annual *How They Voted* scorecard.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

R. Bruce Josten