



## Repeal of the Federal Insurance Office

**Background:** In 2010, the Federal Insurance Office (FIO) was created by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank). The FIO emerged from failed efforts to create an optional federal charter for insurance regulation. **FIO's statutory [duties](#) include monitoring all aspects of the insurance sector and representing the U.S. in international insurance issues.** The FIO also has an advisory role on the Financial Stability Oversight Council (FSOC) and aids the Treasury Secretary in administering the Terrorism Risk Insurance Program (TRIP).

### Why repeal the FIO?

- **FIO's power is ever-expanding.** It has called for [federal regulation of mortgage insurance](#) and [uniform standards for state guaranty associations](#), issued a broad [auto insurance consumer protection report](#) on "affordability," and tried to stake its claim to oversee the nascent National Association of Registered Agents and Brokers (NARAB).
- **FIO's representation of the U.S. internationally** is unnecessary. Before Dodd-Frank, the U.S. Trade Representative (USTR) and the Treasury Department led international negotiations; if the FIO were repealed, Treasury and the USTR would continue negotiating internationally as they did before Dodd-Frank.
- **The FSOC designated three insurers as "systemically important financial institutions" (SIFIs)** before the designation's applicability to nonbanks was reconsidered. All insurer SIFI designations have since been revoked.
- **FIO's oversight of the TRIP** is unnecessary. Before Dodd-Frank, Treasury successfully managed the TRIP; if the FIO were repealed, Treasury would resume its direct oversight of the TRIP.
- **FIO's mandate just expanded again.** The Biden administration issued a 2021 [Executive Order](#) asking the FIO to assess climate risks to carriers and identify possible sources of coverage disruption in geographic areas prone to climate change.
- **FIO's existence threatens state-based insurance regulation.** A 2017 bill would have enlarged the FIO into a federal Office of the Independent Insurance Advocate, providing it with a budget, attorneys, and economists, all led by a Senate-confirmed bureaucrat. The 2017 bill did not become law but bills like it pose a constant danger to the state regulation of insurance.

**Status:** PIA supports the Federal Insurance Office Abolishment Act (S. 524/H.R. 4866), which would repeal the FIO. The bill is sponsored by Sen. Ted Cruz (R-TX) and Reps. Ben Cline (R-VA) and Tom Tiffany (R-WI). **Cosponsor S. 524 or H.R. 4866.**