



NATIONAL ASSOCIATION OF
INSURANCE COMMISSIONERS



July 15, 2025

The Honorable Jim Jordan
Chairman
House Committee on the Judiciary
2138 Rayburn House Office Building
Washington, DC 20515

The Honorable Jamie Raskin
Ranking Member
House Committee on the Judiciary
2142 Rayburn House Office Building
Washington, DC 20515

Re: Submission for the Record - Hearing on Bankruptcy Law: Overview and Legislative Reforms

Dear Chairman Jordan and Ranking Member Raskin:

On behalf of the National Association of Insurance Commissioners (NAIC)¹ we respectfully submit this statement for the record in connection with the Committee's hearing titled "Bankruptcy Law: Overview and Legislative Reforms," held on July 15, 2025. As the primary regulators of the insurance sector, we appreciate your leadership in advancing practical solutions that strengthen the state-based system of insurance regulation and improve protections for policyholders and creditors when an insurer fails.

When an insurance company becomes insolvent, it is the state insurance commissioner who serves as receiver and is responsible for resolving outstanding obligations and protecting policyholders. However, under current law, the lack of a clear timeline for the federal government to file claims creates uncertainty and unnecessary delays in closing out estates. This leaves policyholders and other creditors waiting for payments that could otherwise be distributed more efficiently.

We are working closely with Members of the House Judiciary Committee on developing the *State Insurance Receivership Priority Act of 2025*, or the "SIRP Act." The goals of this legislation are to provide greater certainty in the liquidation of failed insurers, establish a clear two-year window for the federal government to file claims in insurance receivership proceedings, and clarify how liability applies to state-appointed receivers.

¹ As part of our state-based system of insurance regulation in the United States, the National Association of Insurance Commissioners (NAIC) provides expertise, data, and analysis for insurance commissioners to effectively regulate the industry and protect consumers. The U.S. standard-setting organization is governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer reviews, and coordinate regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. For more information, visit www.naic.org.



By establishing a defined timeframe, similar to what already exists in federal bankruptcy law, the SIRP Act would provide much-needed clarity for state receivers to close estates in a timely and equitable manner. The legislation would also narrow the scope of potential liability for state receivers, ensuring accountability without creating unintended exposure that could delay resolution or disrupt the receivership process. These proposed changes align with long-standing state authority and build on the proven success of the state-based receivership framework.

We commend the Members of the House Judiciary Committee for their continued work on this legislation and their commitment to strengthening policyholder protections. The forthcoming *State Insurance Receivership Priority Act of 2025* is a timely and thoughtful improvement to the existing framework, and we are proud to offer our support. Thank you for your continued partnership with state insurance regulators. We look forward to working together to see this legislation enacted.

Sincerely,

Jon Godfread
NAIC President
Commissioner
North Dakota Insurance and Securities
Department

Scott White
NAIC President-Elect
Commissioner
Virginia Bureau of Insurance

Elizabeth Kelleher Dwyer
NAIC Vice President
Director
Rhode Island Department of Business
Regulation

Jon Pike
NAIC Secretary-Treasurer
Commissioner
Utah Insurance Department