

Resolution on
**STATES AS THE PRIMARY OVERSIGHT AUTHORITIES and
REGULATORS OF THE BUSINESS OF INSURANCE**

WHEREAS, protecting consumers and ensuring the safety and soundness of insurance entities and persons operating in the United States have been the prime objectives of state insurance regulation for over 200 years; and

WHEREAS, Congress continued the primary authority as oversight regulator of the business of insurance to The Several States provided under the McCarran-Ferguson Act and as recently affirmed by the Gramm-Leach-Bliley Financial Services Modernization Act of 1999; and

WHEREAS, the state insurance regulation system has been successful and effective, and has continuously adapted to change in the marketplace including but not limited to the challenges of financial services modernization; and

WHEREAS, in responding to the Gramm-Leach-Bliley Financial Services Modernization Act, states already have successfully implemented reforms to meet the specific requirements of the law including, among other things, agent licensing reform and consumer financial privacy protections, and are working to develop and implement further efficiencies through interstate compacts; and

WHEREAS, governors, state legislators, and insurance commissioners were the first to acknowledge the need to streamline and simplify insurance regulation for the 21st century financial services marketplace, and that the States are acting more quickly and definitively than Congress has relative to the regulatory oversight system for insurance, continuing to do so; and

WHEREAS, some insurance companies and national associations representing insurers and banks support federal legislation to either establish one federal regulator of insurance (pre-empting state authorities) and/or allow for dual federal and state insurance regulation (formally adding the federal government as the 56th insurance jurisdiction in the U.S.); and

WHEREAS, if enacted by Congress, these proposals will bifurcate insurance regulation between the states and the federal government, undermining this primary state of the state system of consumer protections and financial surveillance, manufacture material considerable conflicts of law between state and federal regulatory schemes, as well as state vs. federal court decisions, as well as inevitably causing a loss of taxes, fees, jobs, and other vital and necessary state incomes as a leading source for state general revenue funds needed for all public government functions in every state, as well as to effectively regulate the insurance market and provide revenues to support residual market programs, such as high-risk pools; and

WHEREAS, insurance companies paid \$13.8 billion in annual premium taxes to the 50 States in 2004, and a federalization of insurance regulation could put these payments to the States at risk; and

WHEREAS, the National Conference of State Legislatures (NCSL), the National Conference of Insurance Legislators (NCOIL), and the National Association of Insurance Commissioners (NAIC) and the National Association of Professional Insurance Agents (PIA) are all on record in opposition to a federal takeover of insurance regulation, and in opposition to allowing for dual federal and state insurance regulation;

NOW, THEREFORE BE IT RESOLVED, THAT

[the House of Representatives of the State of _____]

[the House of Delegates of the State of _____]

[the Senate of the State of _____]

[PIA National] [Insert your state] is committed to maintaining the States as the primary insurance oversight authority and regulator of the business of insurance, and continues to support and work for state efforts to streamline, simplify and modernize insurance regulation; and

BE IT FURTHER RESOLVED, THAT

[the House of Representatives of the State of _____]

[the House of Delegates of the State of _____]

[the Senate of the State of _____]

[insert your state] will oppose proposed Federal law that undermines this state's primary authority to protect consumers, most particularly those that allow insurers the ability to obtain federal charters, or ceding/surrendering any authority to federal agencies to regulate financial institutions involved in the business of insurance.

Adopted this __ Day of _____, ____

Copies of this resolution shall be sent to the President of the United States, the Secretary of the Treasury, and all members of the United States Senate and the United State House of Representatives.