

Reps. Byrum, Barnett, Terry Brown, Denby, Durhal, Geiss, Green, Haugh, Robert Jones, Lahti, LeBlanc, Lemmons, Mayes, McDowell, Moore, Polidori and Rocca offered the following resolution:

House Resolution No. 47.

A resolution to memorialize the Congress of the United States to oppose preemptive federal insurance regulatory measures.

Whereas, Insurance regulation, oversight, and consumer protection have traditionally and historically been powers delegated to state governments under the McCarran-Ferguson Act of 1945; and

Whereas, State legislatures are more responsive to the needs of their constituents and the need for insurance products and regulation to meet their state's unique market demands; and

Whereas, State legislatures, the National Conference of Insurance Legislators, and the National Association of Insurance Commissioners continue to address uniformity issues between states with the adoption of model laws that address market conduct, product approval, agent licensing, and rate regulation; and

Whereas, Initiatives are being contemplated by certain members of the United States Congress that would destroy the state system of insurance regulation and create unwieldy and inaccessible federal bureaucracies--all without consumer demand; and

Whereas, Such initiatives would divide insurance regulation and could result in a quagmire of federal and state directives that would promote ambiguity and confusion; and

Whereas, Financial services entities that are currently regulated under the federal regulatory system have been failing and undergoing significant financial turmoil; and

Whereas, The state-based regulation of insurance has proven itself highly effective for consumer protection and industry solvency during the current economic situation and financial industry crisis; and

Whereas, Many state governments derive general revenue dollars from the regulation of the business of insurance, including over \$223 million in Michigan of premium taxes generated in fiscal year 2007-2008, and federal insurance regulation initiatives would eventually draw premium tax revenue from the states; and

Whereas, Such proposals would compromise state guaranty fund coverage, and employers could end up absorbing losses otherwise covered by these safety nets for businesses affected by insolvencies; and

Whereas, Federal insurance regulation proposals introduced in Congress during the past few sessions bifurcate insurance regulation and allow companies to choose not to be governed by important state consumer protections; now, therefore, be it

Resolved by the House of Representatives, That we express our strong opposition to federal legislation, such as legislation to create an optional federal charter for insurance companies, that would threaten the power of state legislatures, governors, insurance commissioners, and attorneys general to oversee, regulate, and investigate the business of insurance and to protect consumers; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, members of the United States House of Representatives Committee on Financial Services, the United States Senate Committee on Banking, Housing and Urban Affairs, and the members of the Michigan congressional delegation.