

HOUSE CONCURRENT RESOLUTION NO. 3059

Introduced by

Representatives Berg, Keiser, Wald

Senators Klein, Tallackson

(Approved by the Delayed Bills Committee)

1 A concurrent resolution urging Congress to oppose federal legislation that would impair, erode,
2 and limit the ability of state governments to regulate the business of insurance.

3 **WHEREAS**, regulation, oversight, and consumer protection have traditionally and
4 historically been powers reserved to state governments; and

5 **WHEREAS**, state legislatures are the proper governmental entities to determine public
6 policy on insurance issues as enacted under the federal McCarran-Ferguson Act of 1945, which
7 reserved the regulation of the business of insurance to the states; and

8 **WHEREAS**, state legislatures are more responsive to the needs of their constituents
9 and are more knowledgeable regarding the market conditions that may exist in individual states
10 and the need for unique insurance products and regulation to meet their specific market
11 demands; and

12 **WHEREAS**, state legislatures and other organizations such as the National Conference
13 of Insurance Legislators, National Conference of State Legislatures, and the National
14 Association of Insurance Commissioners have recognized difficulties in the marketplace that
15 have created regulatory hurdles in certain states or delayed speed-to-market of insurance
16 products; and

17 **WHEREAS**, state legislatures, the National Conference of Insurance Legislators, and
18 the National Association of Insurance Commissioners have and continue to address uniformity
19 issues between states by the adoption of model laws that address market conduct, product
20 approval, agent licensing, and rate deregulation; and

21 **WHEREAS**, many state governments derive general revenues from the regulation of the
22 business of insurance, including \$30,928,373 from premium taxes collected in the fiscal year
23 ending June 30, 2004, by the state of North Dakota; and

24 **WHEREAS**, the proposed federal State Modernization and Regulatory Transparency
25 (SMART) Act, which would create mandatory federal insurance standards preempting state law

1 and undermining the sovereignty of state governments, is being contemplated by certain
2 members of the United States Congress; and

3 **WHEREAS**, the proposed SMART Act would "federalize" insurance regulation and
4 threaten the power of state legislatures, governors, insurance commissioners, and attorneys
5 general to oversee, regulate, and investigate the business of insurance, thereby impairing,
6 eroding, and limiting their ability to protect the interests of their constituents; and

7 **WHEREAS**, many states, including North Dakota, have recently enacted and amended
8 state insurance laws to modernize market regulation and provide insurers with greater ability to
9 respond to changes in market conditions;

10 **NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES**
11 **OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:**

12 That the fifty-ninth Legislative Assembly urges the Congress of the United States to
13 oppose federal legislation, such as the proposed SMART Act, which would impair, erode, and
14 limit the ability of state governments to regulate the business of insurance; and

15 **BE IT FURTHER RESOLVED**, that the Secretary of State forward copies of this
16 resolution to each member of the North Dakota Congressional Delegation, to members of the
17 United States House of Representatives Committee on Financial Services, and to members of
18 the United States Senate Committees on Banking, Housing, and Urban Affairs and Commerce,
19 Science and Transportation.