

CHAPTER 107**(HCR 85)**

A CONCURRENT RESOLUTION expressing the commitment of the Kentucky General Assembly to maintain the states as the sole regulators of the business of insurance and to express the opposition of the General Assembly to any proposed federal law that would establish a federal insurance regulatory system.

WHEREAS, state insurance regulators have ensured the solvency of this nation's insurers, implemented a comprehensive consumer protection scheme, licensed insurance companies and agents, and supervised other areas of the insurance business for over one hundred and fifty years; and

WHEREAS, state regulators oversee thousands of insurance companies and millions of agents and respond to more than three million inquiries per year; and

WHEREAS, state insurance regulation has been largely successful and effective, has adapted to changes in the marketplace, and encourages innovation; and

WHEREAS, state legislators and state insurance regulators are more responsive to the needs of consumers and are more aware of and responsive to the unique characteristics and demands of individual states; and

WHEREAS, many states, including Kentucky, regularly update state insurance laws to meet the needs of the citizens of the Commonwealth and the insurance industry; and

WHEREAS, governors, state legislators, and insurance commissioners have acknowledged the need to streamline and simplify insurance regulation and are working to enact reforms to remedy the unnecessary differences in state laws and eliminate requirements that prevent insurers and agents from serving the needs of insurance consumers in an effective and timely manner; and

WHEREAS, the 109th and 110th Congress considered legislation that would establish an entirely new insurance regulatory system at the federal level and threaten the continued viability of the state system in the process; and

WHEREAS, a new and untested federal insurance regulatory system would almost certainly be more remote and politicized and less accessible and responsive than the current state system; and

WHEREAS, if enacted by Congress, these proposals would bifurcate insurance regulation between the states and the federal government, undermining the state system of consumer protections and financial surveillance, as well as inevitably causing a loss of jobs, taxes, fees, and other vital and necessary state revenues needed to effectively regulate the insurance market and provide revenues to support residual market programs; and

WHEREAS, a dual regulatory structure would create consumer confusion; and

WHEREAS, insurance companies paid \$14.3 billion in annual premium taxes to the states in 2007, and a federalization of insurance regulation could put these payments and other fees and revenues at risk;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

➔Section 1. The Kentucky General Assembly is committed to maintaining the states as the sole regulators of the business of insurance and will continue to support state efforts to streamline, simplify, and modernize insurance regulation.

➔Section 2. The Kentucky General Assembly opposes any proposed law that would establish a federal insurance regulatory system or otherwise alter the McCarran-Ferguson Act.

➔Section 3. The Clerk of the House of Representatives is directed to transmit duly authenticated copies of this Resolution to the members of the Kentucky Congressional delegation, to Governor Steven L. Beshear, to the members of the United States House of Representatives Financial Services Committee, to the members of the United States Senate Banking Committee, to the United States Secretary of the Treasury, and to the news media of Kentucky.

Signed by the Governor March 27, 2009.