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NCOIL TO CONGRESS: SLIMPACT ANSWERS NRRA, NEEDS MORE TIME

Washington, DC, March 6, 2011—The National Conference of Insurance Legislators (NCOIL) today intensified its effort to provide states more time to implement sections of the 2010 Dodd-Frank Act. Two days after it emerged following a *State Leaders Summit on Federalism*, the NCOIL Executive Committee unanimously approved a *Resolution Urging Congress to Extend the Effective Date for Nonadmitted Insurance Provisions of the Dodd-Frank Act*.

The resolution was sponsored by state legislative leaders from around the country, including NCOIL President Rep. George Keiser (ND) and Rep. William Botzow (VT), Sen. Mike Hall (WV), Rep. Barry Hyde (AR), Rep. Kathleen Keenan (VT), Rep. Brian Kennedy (RI), Sen. William J. Larkin, Jr. (NY), and Sen. James Seward (NY). It urges Members of Congress to extend the effective date for *Nonadmitted and Reinsurance Reform Act* nonadmitted insurance provisions until at least July 21, 2012, and says that such an extension would allow more states to join SLIMPACT.

Already well on its way to becoming operational, SLIMPACT is moving in Alabama, Connecticut, Indiana, Kansas, Kentucky, Maryland, New Mexico, North Dakota, Rhode Island, Tennessee, Texas, and Vermont, and is being drafted in New York. It has been overwhelmingly passed by the North Dakota House of Representatives (92-1-1), the Kentucky House of Representatives (95-0) and the Indiana Senate (41-8).

Rep. Keiser said:

While states have taken great strides to meet NRRA deadlines, we simply need more time. Twelve months—the first six of which occurred last year as most state legislatures were out of session—is not sufficient for states to implement a nationwide system to collect and allocate nonadmitted insurance taxes.

The NCOIL President continued, “NCOIL has developed SLIMPACT to meet NRRA requirements and to streamline surplus lines regulation and taxation.” “Without additional time,” Rep. Keiser said, “some states may begin losing premium tax dollars after July 2011 when they are prohibited by the Dodd-Frank Act from requiring tax on multi-state nonadmitted insurance risks home-stated in another state.”

The resolution stemmed from discussion between representatives of all three branches of government during a March 4 *State Leaders Summit*. After participants in the Summit discussed full legislative calendars, a plethora of new governors and state officials, and the short, 12-month NRRA effective date, Rep. Keiser announced that he would introduce the resolution for consideration by the State-Federal Relations Committee—which unanimously approved it later in the day.

In addition to urging Members of Congress to extend the effective date for NRRRA nonadmitted insurance provisions, the NCOIL resolution calls on state governors, insurance commissioners, and legislators to approach their respective Congressional delegations about such an extension.

Rep. Ron Crimm (KY), Sen. Travis Holdman (IN), Rep. Nancy Johnson (ND), Rep. Keenan, Sen. Larkin, Rep. Steve Riggs (KY), and Sen. Seward have indicated that they will contact their Congressional colleagues to ask Members to consider sponsorship legislation to push back the effective date for NRRRA nonadmitted insurance provisions.

The NCOIL resolution comes two months after NCOIL, The Council of State Governments, and the National Conference of State Legislatures (NCSL) penned an open letter to the 112th Congress urging an NRRRA effective date extension.

The NCOIL Spring Meeting was held March 4 through 6 at the Hyatt Regency on Capitol Hill.

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