

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS (NCOIL)

Resolution Regarding Guiding Principles for U.S. and International Insurance Regulatory Discussions

Adopted by the NCOIL Executive Committee on July 13, 2014, and by the NCOIL International Insurance Issues Task Force on July 10, 2014. Sponsored by Sen. Jason Rapert (AR), chair of the Task Force's Coordination & Transparency Working Group

WHEREAS, U.S. federal entities, including the Department of Treasury, Federal Insurance Office (FIO), and Federal Reserve Board are pursuing initiatives, individually and/or through interactions with key international organizations, that could affect how U.S. insurers operate in this country and elsewhere; and

WHEREAS, developments at the Financial Stability Board (FSB) and the International Association of Insurance Supervisors (IAIS) have the potential to directly impact U.S. insurance regulation and insurers and, as a result, U.S. consumers; and

WHEREAS, state regulation successfully has fostered robust, competitive markets that have served consumers well for more than 150 years, in both good and trying financial times, and represents one-third of the insurance market worldwide; and

WHEREAS, the state insurance regulatory system in the U.S. is transparent and open to all stakeholders, is accountable to the public, and is governed by the rule of law; and

WHEREAS, the National Conference of Insurance Legislators (NCOIL), an organization of state legislators dedicated to the proper regulation of U.S. insurance markets, recognizes the importance of transparent dialogue and cooperation between stakeholders involved in and affected by the oversight of insurance in the states and internationally; and

WHEREAS, transparency and open deliberations are a foundation of the U.S. state legislative process and likewise are critical if state lawmakers, who enact the laws regulating insurance in this country, are to have confidence in the proposed insurance regulation they are asked to consider, including regulation that emanates from international initiatives; and

WHEREAS, working with state insurance regulators and other state officials, as well as with consumer and industry representatives, NCOIL legislators through their International Issues Task Force are moving to ensure that efforts here and abroad, though well-meaning, do not endanger protections afforded under state-based insurance regulation; and

WHEREAS, there currently is no meaningful avenue in current international dialogues for state legislators to weigh in.

WHEREAS, failure to include and respect the voice of state legislators and regulators in development of federal and global proposals regarding insurance could have far-reaching, troubling consequences for U.S. markets; and

NOW, THEREFORE, BE IT RESOLVED that NCOIL calls for creation of a meaningful mechanism so that state legislators and insurance regulators can effectively participate in international discussions affecting insurance.

BE IT RESOLVED that NCOIL strongly believes that any international initiatives impacting state insurance regulation should be guided by a need for due process and transparency.

BE IT RESOLVED that NCOIL is committed to engaging with federal and global officials in the months and years to come and will further its collaborations at the state level and with other key parties.

BE IT FINALLY RESOLVED that a copy of this resolution be sent to state legislators and regulators, to Congressional leadership, to the Financial Stability Board and the International Association of Insurance Supervisors, and to the Consumer Financial Protection Bureau, Department of Treasury, Federal Insurance Office, and Federal Reserve Board.