

**NATIONAL CONFERENCE OF INSURANCE LEGISLATORS (NCOIL)
Resolution Reaffirming Support for the U.S. State-Based System
in International Insurance Regulatory Discussions**

Adopted by the NCOIL Executive Committee on November 24, 2013, and by the International Insurance Issues Committee on November 22, 2013. Sponsored by Rep. Craig Eiland (TX), Sen. Travis Holdman (IN), Rep. Kathie Keenan (VT), and Sen. Carroll Leavell (NM)

WHEREAS, for 150 years the U.S. state-based insurance regulatory system has overseen the solvency of insurers and consumer protection, thereby helping to create the largest insurance market in the world; and

WHEREAS, even during times of financial crisis, the U.S. state-based insurance regulatory system has assured that companies meet their obligations to insurance customers, including the establishment of mechanisms to protect consumers in case of insurance insolvencies; and

WHEREAS, the state-based insurance regulatory system is second to none in the world in terms of consumer protection and has assured that regulated companies are capitalized at record levels; and

WHEREAS, the state-based insurance regulatory system is transparent and open to all stakeholders, is accountable to the public and is governed by the rule of law; and

WHEREAS, insurers subject to U.S. state-based insurance regulation have engaged in individual and collective actions to dramatically improve highway, workplace and building safety, resulting in millions of lives saved, millions of injuries prevented and billions of dollars of losses avoided; and

WHEREAS, the Congress has repeatedly, as recently as in the Dodd-Frank Act, affirmed the U.S. state-based insurance regulatory system as the U.S. system for regulating insurers; and

WHEREAS, the state-based insurance regulatory system is constantly evolving to address new market conditions and challenges and to improve its effectiveness and efficiency; and

WHEREAS, despite this record of performance, attempted intrusions into the U.S. state-based insurance regulatory system are multiplying from many sources, including the International Association of Insurance Supervisors and especially the Financial Stability Board, which has issued directives far beyond its charter with the apparent participation and approval of U.S. federal agencies;

NOW THEREFORE BE IT RESOLVED, that

1. NCOIL reaffirms its unqualified support for the U.S. state-based insurance regulatory system and calls on all state and federal organizations and agencies to do the same; and
2. NCOIL formally requests regular consultations with the NAIC, FIO and other relevant federal agencies with regard to international insurance regulatory matters; and
3. NCOIL formally requests that the U.S. Congress direct all federal agencies representing the U.S. in the Financial Stability Board, to oppose all proposals by the Financial Stability Board that make recommendations applicable to any entities not officially designated by the U.S. as systemically important financial institutions; and
4. NCOIL formally requests that the Administration, U.S. Congress and NAIC assure that all representatives of the U.S. in international insurance regulatory discussions advocate only positions that are consistent with the insurance regulatory policies determined by the states, which continue to have the authority to regulate the business of insurance.