

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS

Resolution in Support of Surplus Lines Insurance Multi-State Compliance Compact (“SLIMPACT”)

Adopted by the NCOIL State-Federal Relations Committee on November 16, 2007, and Executive Committee on November 17, 2007.

Sponsored by Rep. Brian Kennedy (RI), Sen. James Seward (NY), and Rep. Robert Damron (KY)

WHEREAS, political and marketplace realities necessitate the modernization of state insurance regulation; and

WHEREAS, existing state laws and regulations governing surplus lines and independently procured insurance for multi-state risks have created confusing, duplicative and inconsistent tax and regulatory requirements; and

WHEREAS, it is essential to streamline and improve the efficiency of the surplus lines market by eliminating duplicative and inconsistent tax and regulatory requirements among the states so that surplus lines providers may better comply with such requirements, thereby ensuring the continued availability of surplus lines insurance to consumers; and

WHEREAS, the adoption of SLIMPACT will streamline regulatory requirements by providing for: exclusive single-state regulatory compliance for multi-state surplus lines and independently procured insurance placements; uniform premium tax allocation formulae; and a clearinghouse to facilitate the correct calculation and reporting of premium taxes due to the compacting states and will improve coordination of regulatory resources and expertise between state insurance departments and other state agencies, as well as state surplus lines stamping offices; and

WHEREAS, the adoption of SLIMPACT will protect and facilitate the collection of premium tax revenue on surplus lines and independently procured insurance placements by the compacting states; and

WHEREAS, the failure of the states to modernize this important area of insurance regulation will add momentum to those individuals and organizations supporting the creation of a federal insurance regulator to oversee federally chartered insurers; and

WHEREAS, such federal initiatives will impinge on the states' authority to regulate insurance, and ultimately affect the states' ability to collect insurance premium tax; and

WHEREAS, NCOIL has long supported interstate compacts as an effective means to bring efficiency and uniformity to state insurance regulations; and

NOW, THEREFORE, BE IT RESOLVED that the National Conference of Insurance Legislators (NCOIL) supports the adoption by the several states of SLIMPACT and will aggressively work towards its enactment in the states, and

BE IT RESOLVED, that NCOIL calls upon the NAIC and state insurance regulators to advocate for the enactment of SLIMPACT in their respective states; and

BE IT FURTHER RESOLVED that a copy of this RESOLUTION be sent to all state legislatures, insurance commissioners, and governors and to NAIC, ALEC, NGA and NCSL.