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**FOR IMMEDIATE RELEASE**

Contact: Bob Mackin
407-934-4000 (June 10-14)
518-449-3210 (after June 14)

**NCOIL President Urges Consideration of Interstate Compact to Achieve Uniformity**

Orlando, Florida, **June 10, 2000** – States can achieve needed uniformity and reciprocity in insurance regulation through an interstate compact, a leading state lawmaker said here today before a meeting of insurance commissioners and high-ranking industry representatives.

Asserting that any insurance regulatory reform should not involve amendment to the McCarran-Ferguson Act, Clare Farragher, Deputy Speaker of the New Jersey State General Assembly and President of the National Conference of Insurance Legislators (NCOIL), said that under an interstate compact, states could enact legislation that would have the full force of law in each of the compacting jurisdictions and across state lines. The NCOIL President spoke out against specific industry proposals that would require amendment of McCarran.

The NCOIL president made her remarks in a statement prepared for delivery at the NAIC Industry Liaison Committee meeting held in conjunction with the NAIC Summer Meeting at the Walt Disney World Dolphin in Orlando, Florida, on Saturday, June 10 at 1:30 p.m.

Dep. Spkr. Farragher said in part:

"Certain insurance industry organizations have offered proposals that would amend the McCarran-Ferguson Act. NCOIL opposes those amendments to McCarran.

One such proposal would establish a system of nationally chartered insurers. It would allow them to operate free of state insurance rating laws. It would free them to cut prices and seize markets. It would leave consumers protected by the uneven and prolonged vagaries of antitrust law.

Another proposal threatens to establish a dual-regulatory system. It would allow large multi-state companies to be regulated, in part, by a federal bureaucracy. It would have smaller single-state and regional companies remain under state regulation. Essentially, it would mean insurers would play by two sets of rules. One for the big guys, and one for the little guys. One set of rules would let big national insurers roam a universe of opportunity. The other would keep smaller insurers corralled in local and state markets. "

Dep. Spkr. Farragher said that globalized markets and technological change are challenging the state regulation of insurance. She acknowledged the need for one-stop shopping for licensing, streamlined rate and policy form approval and speed-to-market for products. She explained that the establishment of an interstate compact could satisfy those needs.

She said:

"The establishment of an interstate compact for insurance regulation would require a single, uncomplicated legislative act. States that wish to join the compact would enact that legislation. The legislation would provide for the establishment of a compact agency which would act through a governing body. The compact agency would have legal standing established in state statute law. And it would be accountable to the governments of those compacting states."

NCOIL developed a comprehensive interstate compact nearly a decade ago. The compact evolved into the Interstate Insurance Receivership Compact, which is now law in Illinois, Michigan and Nebraska.

NCOIL is an organization of state legislators whose main area of public policy concern is insurance legislation and regulation. Many legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country.

The full text of the NCOIL President's testimony is attached.

[**Testimony**](http://www.ncoil.org/news/testim2.html)

**Past News Releases**

[ALBANY, NY, JUNE 7, 2000](http://www.ncoil.org/news/archive/jun07.html) -– Leading state legislators, state insurance commissioners, consumer advocates, and insurance industry representatives will address important public policy issues relating to insurance legislation and regulation at the 2000 Summer Meeting of the National Conference of Insurance Legislators (NCOIL). The NCOIL Meeting will take place at the Radisson Hotel in Burlington, Vermont, from Thursday, July 6 through Sunday, July 9.

[ALBANY, NY, FEBRUARY 3, 2000](http://www.ncoil.org/news/archive/feb00.html) -- Florida State Senator Steven A. Geller (D-Hallandale), Chair of the National Conference of Insurance Legislators (NCOIL) Viatical Settlements Subcommittee announced that the Subcommittee will receive testimony from interested parties on proposed revisions to the NCOIL Viatical Settlements Model Act adopted in 1997.

[ALBANY, NY, JANUARY 26, 2000](http://www.ncoil.org/news/archive/jan2600.html) -- Leading state legislators, state insurance commissioners, consumer advocates, and insurance industry representatives will address important public policy issues relating to insurance legislation and regulation at the 2000 Spring Meeting of the National Conference of Insurance Legislators (NCOIL).

[ORLANDO, FL NOVEMBER 21, 1999](http://www.ncoil.org/news/archive/election.html) -- New Jersey Dep. Speaker Clare Farragher (R-Freehold) was elected President of the National Conference of Insurance Legislators (NCOIL) at its 31st Annual Meeting recently concluded in Orlando, Florida.

[ALBANY, NY APRIL 26, 1999](http://www.ncoil.org/news/archive/april99.html) More than 7,000 officials who make public policy decisions relating to insurance are listed in the newly released *1999 NCOIL Insurance Legislative Fact Book & Almanac*, published under the auspices of the National Conference of Insurance Legislators (NCOIL).

[ALBANY, NY, NOVEMBER 5, 1998](http://www.ncoil.org/news/archive/nov598.html) -- Leading state legislators, state insurance commissioners, consumer advocates, and insurance industry executives will address important public policy issues relating to insurance legislation and regulation at the 30th Annual meeting of the National Conference of Insurance Legislators (NCOIL).

[ALBANY, NY, MAY 28, 1998](http://www.ncoil.org/news/archive/may2898.html) -- Leading state legislators, state insurance commissioners, consumer advocates, and insurance industry executives will address important public policy issues relating to insurance legislation and regulation at the upcoming meeting of the National Conference of Insurance Legislators (NCOIL).

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