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#### NCOIL TESTIFIES ON INTERSTATE COMPACT

**Reno, Nevada, March 16, 2002** – New Jersey Assem. Clare Farragher, an NCOIL Past President, testified today in support of continuance of the Interstate Receivership Compact.  The Interstate Insurance Receivership Compact Commission held a hearing on the issue at the Reno Hilton, in conjunction with the National Association of Insurance Commissioners (NAIC) Spring Meeting.

Saying that the compact "stands as an example of historic, constructive, and creative cooperation between the leadership of NCOIL and the Midwest Zone of the NAIC," Assem. Farragher encouraged its continuance.  She said that:

"At a time when the states are at work as never before to achieve synergy in state-based regulation of the business of insurance, the compact ideas provide a means for achieving those worthy and long agreed-upon goals.  States could expand the powers of the Commission to provide for one-stop shopping or a single point of entry for agent and broker licensing, national chartering of insurers, speedy one-stop rate and form approvals, and better coordination and efficiency in insurance market conduct examinations."

Nebraska was the first state to enact the compact legislation, followed by Michigan and Illinois.  Assem. Farragher noted that she is introducing the compact legislation in New Jersey this year and said that "the adoption of the compact by other states was and remains essential to its success."

She urged the Commission to exercise its powers under the compact legislation and:

-- promulgate operating procedures covering the conduct of receiverships,

-- oversee, supervise and coordinate the activities of receivers in compacting states,

-- monitor the activities and functions of guaranty associations in the compacting states,

-- represent and advise compacting states on issues relating to insurers domiciled in non-compacting     jurisdictions,

-- provide advice and training to receivership personnel of compacting states,

-- appoint committee to assist the commission in the performance of its duties, and

-- appoint an executive director and chief legal officer.

Assem. Farragher said that the current compact serves as
 "an excellent model for expansion of the compact idea."

[**Speech Text**](http://www.ncoil.org/news/Speech.htm)