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CHIEF EXECUTIVE OFFICER: Thomas B. Considine



PRESIDENT: Rep. Steve Riggs, KY
VICE PRESIDENT: Sen. Jason Rapert, AR
SECRETARY: Rep. Bill Botzow, VT
TREASURER: Rep. Matt Lehman, IN

IMMEDIATE PAST PRESIDENT:
Sen. Travis Holdman, IN

For Immediate Release

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NCOIL: NEWS OF COVERED AGREEMENT RAISES SERIOUS CONCERNS

Cites Need to Ensure Primacy of State-Based Regulation of Insurance

Manasquan, NJ: Kentucky Rep. Steve Riggs, NCOIL President and Commissioner Tom Considine, NCOIL CEO issued the following statements regarding the news that federal US and EU regulators came to an agreement that states they will only be subject to their home based regulator:

"State based regulation of insurance, a system that has worked very well for three-quarters of a century, needs to be protected, from both federal or international regulation" said Rep. Riggs. "Friday's announcement represents an intrusion by the federal government, and by extension international authorities, which should concern all of us who have worked to ensure the success of this productive regulatory system, as well as the consumers protected by it," concluded Riggs.

"Last year, NCOIL publicly cited the risks inherent as regulation moves away from the local state-based regulator of insurers and that US negotiators should not capitulate to foreign regulators' demands for regulatory control. Friday's news raises serious concerns because it represents an incursion into the state regulation of insurance and it ends the collateral requirements of foreign insurers operating in the US" said Considine. "The small saving grace is that companies based in the United States and domiciled in a state seemingly will continue to be regulated by their state insurance commissioner who enforces the laws written by the state legislature."

NCOIL went on to cite a need to undertake a complete review of the agreement, citing the secret manner in which negotiations were held. "While most state regulators were not allowed to participate in the process, zero state lawmakers were allowed to participate. State lawmakers need to make their own thorough review of the Agreement to evaluate the extent of state law preemption by this non-transparent process and Agreement. I cannot be sure if consumer protections were violated by forcing our own American insurers to be subject to the new foreign made Agreement. I don't see much State sovereignty in that arrangement. State Lawmakers were not permitted proper representation in these negotiations. We also urge Congress to examine this Agreement closely, in light of the way it interferes with the mandate of McCarran-Ferguson," concluded Riggs.

On January 13, 2017, as required by The Dodd-Frank Wall Street Reform Act, the Federal Insurance Office and the Office of the U.S. Trade Representative jointly submitted the

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Agreement to the House Financial Services, House Ways and Means, Senate Banking, and Senate Finance committees on a day the House and Senate were in session. The Agreement then becomes effective after 90 days have elapsed. To view the text of the Covered Agreement, please click [here](#).

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NCOIL is a legislative organization comprised principally of legislators serving on state insurance and financial institutions committees around the nation. NCOIL writes Model Laws in insurance, works to both preserve the state jurisdiction over insurance as established by the McCarran-Ferguson Act seventy years ago and to serve as an educational forum for public policy makers and interested parties. Founded in 1969, NCOIL works to assert the prerogative of legislators in making state policy when it comes to insurance and educate state legislators on current and perennial insurance issues.