

## FOR IMMEDIATE RELEASE

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## STATE GROUPS COALESCE AROUND SLIMPACT-LITE

**Washington, DC, December 13, 2010** — A *Surplus Lines Insurance Multi-State Compliance Compact* (now known as SLIMPACT-Lite) won the third leg of its winter Triple Crown this weekend when the National Conference of State Legislatures (NCSL) joined the National Conference of Insurance Legislators (NCOIL) and The Council of State Governments (CSG) in endorsing the proposal. With full support of the major national organizations comprising state lawmakers, SLIMPACT-Lite now rounds the bend into the 2011 legislative sessions.

NCOIL President Rep. George Keiser (ND) said:

The states' collective burden to implement Dodd-Frank's surplus lines provisions just got a whole lot lighter. With momentum from NCOIL, CSG, and NCSL at its back, we hope SLIMPACT-Lite can sail through state legislatures next year. The endorsements by our three policymaking organizations should provide a comfort level for state legislators—both new and seasoned—to quickly move compacting legislation through their respective state houses.

NCOIL Past President Rep. Robert Damron (KY) said, "We commend the NCSL for approving a resolution supporting SLIMPACT-Lite and urging states to promptly conform statutes to Dodd-Frank provisions." "Critical premium tax dollars," he added, "could be left on the table come July 2011 without decisive state action in the early part of next year. We hope the guidance our organizations have all endorsed will make sure that doesn't happen."

NCOIL Past President Rep. Brian P. Kennedy (RI) declared, "Vast numbers of new faces will enter state houses as policy makers for the first time in 2011, while insurance departments will see a major change at the Commissioner level. The consensus endorsement of our state legislative groups, coupled with the hours and years of development put into SLIMPACT, should alleviate any hesitation from our new colleagues." He added, "We look forward to the passage and enactment of this important compact in legislatures across the country as soon as possible in 2011."

The NCSL Executive Committee adopted a *Draft Resolution in Support of Amending the Insurance Law to Conform to the Nonadmitted and Reinsurance Reform Act (NRRRA) and in Support of Enacting the Surplus Lines Insurance Multistate Compliance Compact*, on Saturday, December 11—one day after it was unanimously approved by the Communications, Financial Services & Interstate Commerce Committee.

SLIMPACT-Lite—unlike other existing proposals—would respond to Dodd-Frank Act provisions by authorizing a governing commission to establish allocation formulas, uniform payment methods and reporting requirements, eligibility standards, and a single policyholder notice to replace the various forms used across the country. To streamline taxation and ensure that each state receives its fair share,

SLIMPACT-Lite would require a state to create a single tax rate for surplus lines insurance, allow states to charge their own rates, and set uniform payment dates, among other things.

Beginning in July, the Dodd-Frank Act's *Nonadmitted and Reinsurance Reform Act (NRRA)* provisions prohibit any state that is not the home state of an insured from requiring any premium tax payment for nonadmitted insurance. The NRRA, among other things, authorizes states to enter into a compact to allocate premium taxes and declares the intent of Congress that each state "adopt nationwide uniform requirements, forms, and procedures, such as an interstate compact..." to accomplish such purposes.

NCOIL adopted SLIMPACT-Lite on November 21 during its Annual Meeting in Austin, Texas. CSG, which represents all three branches of government, endorsed the compact via resolution on December 6.

For further details, please contact the NCOIL National Office at 518-687-0178.

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