# NATIONAL CONFERENCE OF INSURANCE LEGISLATORSRESOLUTION ON REGULATION OF FINANCIAL INSTITUTIONS

**Adopted by the NCOIL Executive Committee on July 11, 1997.
Readopted by the NCOIL Executive Committee on November 16, 2001.
Amendments adopted by the NCOIL Executive Committee on March 1, 2002.**

WHEREAS, the Gramm-Leach-Bliley Act of 1999 (GLBA) authorizes the creation of financial services holding companies and eliminates long-standing legal barriers to affiliations among banks and insurance companies; and

WHEREAS, GLBA provides for functional regulation of financial institutions and specifically reaffirms state regulation of insurance and specifically provides that no person may sell insurance without being properly licensed by the states; and

WHEREAS, state laws contain comprehensive provisions for licensing and regulation of insurance companies and producersand protections for consumers against unfair trade practices, coercion and product confusion in the marketing of insurance; and

WHEREAS, if the insurance business of financial institutions is not subject to state insurance regulation, insurance consumers will lose important protections provided by state laws against the transaction of business by unqualified persons;

NOW, THEREFORE, BE IT RESOLVED, that the National Conference of Insurance Legislators (NCOIL) joins with the National Conference of State Legislatures (NCSL) and the National Association of Insurance Commissioners (NAIC) to support such functional regulation of the financial services industry because insurance regulation is designed for the protection of the insurance-buying public; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that NCOIL joins with NCSL and the NAIC in opposing any Congressional legislation that would preempt state laws regulating the business of insurance under the McCarran-Ferguson Act including, but not limited to, those pertaining to redomestication, demutualization, licensing, examination, solvency and unfair trade practices.