

National Conference of Insurance Legislators (NCOIL)
*Resolution Urging Congress to Extend the Effective Date for Nonadmitted
Insurance Provisions of the Dodd-Frank Act*

Adopted by the NCOIL State-Federal Relations Committee on March 4, 2011, and Executive Committee on March 6, 2011.

Sponsored by Rep. George Keiser (ND), Rep. William Botzow (VT), Sen. Mike Hall (WV), Rep. Barry Hyde (AR), Rep. Kathleen Keenan (VT), Rep. Brian Kennedy (RI), Sen. William J. Larkin, Jr. (NY), Sen. James Seward (NY)

WHEREAS, the Dodd-Frank Act of 2010 (Public Law 111-203) included the *Nonadmitted and Reinsurance Reform Act (NRRA)* as Title V, Subtitle B; and

WHEREAS, NRRA provisions are set to go into effect on July 21, 2011—12 months after the Dodd-Frank Act was signed by President Barack Obama; and

WHEREAS, the NRRA prohibits any state, other than the home state of an insured, from requiring premium tax payment for nonadmitted insurance; and

WHEREAS, the NRRA declares that Congress intends that each state adopt nationwide uniform requirements, forms, and procedures, such as an interstate compact, that provides for the reporting, payment, collection, and allocation of premium taxes for nonadmitted insurance; and

WHEREAS, NCOIL has developed—and the National Conference of State Legislatures (NCSL) and The Council of State Governments (CSG) have supported—a *Surplus Lines Insurance Multi-State Compliance Compact (SLIMPACT)* to ensure that each state continues to receive its fair share of surplus lines premium tax; and

WHEREAS, while numerous state legislatures have already moved on SLIMPACT, or have otherwise introduced legislation to conform to NRRA requirements, due to abbreviated legislative calendars and the quick turn-around time afforded by the federal law, some states will not be able to join SLIMPACT before Dodd-Frank preempts state law in July; and

WHEREAS, if states are not able to allocate and/or receive taxes on multi-state insurance risks after July 21, 2011, they may lose substantial premium tax dollars; and

WHEREAS, an extension of the effective date for NRRA nonadmitted insurance provisions would allow more states to join SLIMPACT, and/or to otherwise collect and allocate premium tax on multi-state risks; and

WHEREAS, such an extension would also allow states more time to conform state statutes to NRRA requirements, thereby avoiding potentially confusing situations where state and federal nonadmitted insurance laws are inconsistent; and

WHEREAS, NCOIL, CSG, and NCSL recently wrote to Congress to urge Members to extend the effective date for NRRRA nonadmitted insurance provisions until at least July 21, 2012; and

NOW, THEREFORE, BE IT RESOLVED that NCOIL strongly urges Congress to extend the effective date for NRRRA nonadmitted insurance provisions until at least July 21, 2012, to provide more time for states to meet the goals of the Dodd-Frank Act; and

BE IT ALSO RESOLVED that NCOIL calls on state governors, insurance commissioners, and legislators to urge their respective Congressional delegations to delay the Dodd-Frank Act effective date for NRRRA nonadmitted insurance provisions;

BE IT FINALLY RESOLVED that a copy of this Resolution be sent to all Members of the 112th Congress and to state legislative leaders, insurance commissioners, and governors.