



**HOUSE JOINT RESOLUTION 06-1024**

**BY REPRESENTATIVE(S) McCluskey, Balmer, Cadman, Carroll M., Jahn, Larson, Liston, Paccione, Witwer, Crane, Kerr A., Kerr J., Lundberg, Ragsdale, Rose, Schultheis, Soper, Stafford, Stengel, Sullivan, and Welker; also SENATOR(S) Veiga, Boyd, Kester, Owen, Tochtrop, and Wiens.**

**CONCERNING OPPOSITION TO FEDERAL PREEMPTION OF THE REGULATION OF INSURANCE.**

WHEREAS, Regulation, oversight, and consumer protection have traditionally and historically been powers reserved to state governments under the "McCarran-Ferguson Act of 1945"; and

WHEREAS, State legislatures are more responsive to the needs of their constituents and the need for insurance products and regulation to meet their state's unique market demands; and

WHEREAS, Many states, including Colorado, have recently enacted and amended state insurance laws to modernize market regulation and provide insurers with greater ability to respond to changes in market conditions; and

WHEREAS, Colorado has enacted the "Colorado Producer Licensing Model Act", article 2 of title 10, Colorado Revised Statutes, a model act developed by the National Association of Insurance Commissioners; the

"Interstate Insurance Product Regulation Compact", part 30 of article 60 of title 24, Colorado Revised Statutes, from the National Association of Insurance Commissioners; and is considering targeted market analysis in House Bill 06-1383, which is based on the procedures of the National Conference of Insurance Legislators and the National Association of Insurance Commissioners, to make Colorado insurance law more harmonious with national trends; and

WHEREAS, State legislatures, the National Conference of State Legislatures, and the National Association of Insurance Commissioners continue to address uniformity issues between states by the adoption of model laws that address market conduct, product approval, agent licensing, and rate deregulation; and

WHEREAS, Initiatives are being contemplated by certain members of the United States Congress that would destroy the state system of insurance regulation and create unwieldy and inaccessible federal bureaucracies - all without consumer demand; and

WHEREAS, Colorado derives general revenue dollars from the regulation of the business of insurance, including \$182 million from premium taxes generated in 2004; and

WHEREAS, The proposed federal "State Modernization and Regulatory Transparency Act" (SMART Act) and the optional federal charter indicated in the "National Insurance Act of 2006" would eventually draw premium tax revenue from the states; and

WHEREAS, The optional federal charter proposal would bifurcate insurance regulation and allow companies to evade important state consumer protections; and

WHEREAS, The SMART Act would create mandatory federal insurance standards that preempt state law; now, therefore,

*Be It Resolved by the House of Representatives of the Sixty-fifth General Assembly of the State of Colorado, the Senate concurring herein:*

That the Colorado General Assembly expresses its strong opposition to such federal legislation because these proposals threaten the power of state

legislatures, governors, insurance commissioners, and attorneys general to oversee, regulate, and investigate the business of insurance, and to protect consumers.

*Be It Further Resolved,* That copies of this Joint Resolution be sent to the members of the Colorado Congressional delegation, the members of the United States House of Representatives Committee on Financial Services, and the United States Senate Committee on Banking, Housing, and Urban Affairs.

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Andrew Romanoff  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

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Joan Fitz-Gerald  
PRESIDENT OF  
THE SENATE

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Marilyn Eddins  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

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Karen Goldman  
SECRETARY OF  
THE SENATE