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**NCOIL TO CONGRESS:  
PROMOTE, DON'T PREEMPT, STATE REGULATION**

**Seattle, Washington, July 24, 2007** — As Members of Congress fire shots across the bow of state insurance regulation, the National Conference of Insurance Legislators (NCOIL) retaliated by taking aim at federal preemptive efforts in strongly-worded missives. At the July 18 through 22 NCOIL Summer Meeting here, 26 members of the NCOIL Executive Committee signed a letter to Senators John Sununu (R-NH) and Tim Johnson (D-SD) opposing S. 40, *The National Insurance Act of 2007*, and adopted a resolution opposing repeal of the *McCarran-Ferguson Act*.

S. 40 would create an Office of National Insurance (ONI) within the Treasury Department, and would permit insurance companies to bypass the protections of state regulation in favor of becoming licensed under the ONI to sell insurance nationally.

In the letter, NCOIL lawmakers said an OFC would, “result in a quagmire of federal and state directives and promote ambiguity and confusion” and “ultimately impose the costs of a needless federal bureaucracy upon businesses and the public.”

NCOIL again voiced concern regarding the inadvertent negative consequences of S. 40, further aligning itself with other state-based organizations, including the National Governors Association (NGA), National Conference of State Legislatures (NCSL), Council of State Governments (CSG), and the National Association of Insurance Commissioners (NAIC), in its strong opposition to OFC initiatives.

Legislators also formally opposed *The Insurance Industry Competition Act*, S. 618/H.R. 1081, which would repeal an essential provision of the *McCarran-Ferguson Act* that grants insurers a limited antitrust exemption. *McCarran* also gives the states sole authority to regulate the business of insurance. Senate sponsors include Majority Leader Harry Reid (D-NV), Minority Whip Trent Lott (R-MS), and Committee on the Judiciary Chairman Patrick Leahy (D-VT).

*A Resolution in Opposition to Amending or Repealing the McCarran-Ferguson Act*, sponsored by Officers of NCOIL, attested that the *McCarran-Ferguson Act* “has led to the successful promotion of a strong, efficient, consumer-based system of insurance oversight.”

The resolution continued, “NCOIL opposes passage of S. 618/H.R. 1081 on the grounds that it misinterprets the role of states in enforcing antitrust protections and would jeopardize insurer practices that promote available and affordable coverage; expose insurance markets to uncertainty and litigation; and create an environment that inadvertently disadvantages consumers most in need.”

The letter and resolution were adopted unanimously by the NCOIL State-Federal Relations Committee on Friday, July 20, and by the Executive Committee on July 21.

The NCOIL Summer Meeting was held July 18 through 22 at the Sheraton Seattle Hotel & Towers. The NCOIL Annual Meeting will take place from November 15 through 18 at the Rio All-Suite Hotel & Casino in Las Vegas, Nevada.

NCOIL is an organization of state legislators whose primary focus is insurance legislation and regulation. Many legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at [www.ncoil.org](http://www.ncoil.org).

For further details, please contact the NCOIL National Office at 518-687-0178, or at [mhumphreys@ncoil.org](mailto:mhumphreys@ncoil.org).

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