

HOUSE CONCURRENT RESOLUTION NO. 41

(By Delegates Kominar, Stemple, Walters, Barker, Cann, Ennis, Hartman, Long, Mahan, Michael, Moore, Perry, Pethel, Pino, Proudfoot, Staggers, Stalnaker, Varner and White)

Urging the United States Congress to protect state regulation of the business of insurance.

Whereas, State insurance regulators have ensured the solvency of this nation's insurers, implemented a comprehensive consumer protection scheme, licensed insurance companies and agents, and supervised other areas of insurance business for over one hundred fifty years; and

Whereas, State insurance regulation has been largely successful and effective, has adapted to changes in the marketplace, and encourages innovation; and

Whereas, State legislatures and state insurance regulators are more responsive to the needs of consumers and are more aware of and responsive to the unique characteristics and demands of individual states; and

Whereas, Governors, state legislators, and insurance commissioners have acknowledged the need to streamline and simplify insurance regulation and are working to enact reforms to remedy the unnecessary differences in state laws and eliminate requirements that prevent insurers and agents from serving the needs of insurance consumers in an effective and timely manner; and

Whereas, Many states, including West Virginia, regularly update state insurance laws and have recently enacted legislation that enables the insurance industry to more effectively respond to changing market conditions; and

Whereas, The 109th Congress of the United States is expected to consider legislation that would establish an entirely new insurance regulatory system at the federal level and threaten the continued viability of the state system in the process; and

Whereas, A new and untested federal insurance regulatory system would almost certainly be more remote and politicized and less accessible and responsive than the current state system; and

Whereas, If enacted by the Congress of the United States, these proposals would bifurcate insurance regulation between the states and federal government, undermining the state system of consumer protections and financial surveillance, as well as inevitably causing a loss of jobs, taxes, fees and other vital and necessary state revenues needed to effectively regulate the insurance market and provide revenues to support residual market programs; and

Whereas, A dual regulatory structure will create consumer confusion and result in a regulatory race to bottom; and

Whereas, Insurance companies paid approximately \$105 million in premium taxes to West Virginia in 2006, and a federalization of insurance could put these payments and other fees and revenues at risk; therefore, be it

Resolved by the Legislature of West Virginia:

That the 78th Legislature of the State of West Virginia hereby respectfully urges the Congress of the United States of America to oppose any proposed laws that would establish a federal insurance regulatory system or otherwise alter the McCarran-Ferguson Act; and, be it

Further Resolved, That the Clerk of the House of Delegates forward certified copies of this resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the members of the United States House Financial Services Committee, the members of the United States Senate Banking, Housing and Urban Affairs Committee, the United States Secretary of the Treasury, and to all members of the West Virginia delegation to the Congress of the United States with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States.