

**Resolution Encouraging States to Join an  
*Interstate Insurance Product Regulation Compact***

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*Adopted by the NCOIL Executive Committee on November 20, 2011, and by the NCOIL State-Federal Relations Committee on November 19, 2011. Sponsored by Rep. Robert Damron (KY), Assem. Nancy Calhoun (NY), Rep. Ron Crimm (KY), Rep. Charles Curtiss (TN), Sen. Keith Faber (OH), Sen. Travis Holdman (IN), Sen. Dean Kirby (MS), Rep. Kathie Keenan (VT), Rep. Brian Kennedy (RI), Sen. William J. Larkin, Jr. (NY), Sen. Carroll Leavell (NM), Sen. James Seward (NY), Sen. Vi Simpson (IN), Sen. Ruth Teichman (KS), Rep. Greg Wren (AL)*

**WHEREAS**, NCOIL strongly supports the states' rights to regulate their unique insurance markets; and

**WHEREAS**, NCOIL believes that U.S. insurance regulation has strengthened and evolved over the years to adapt to its changing market and has recently showed its strength as the industry remained stable throughout the country's financial crisis; and

**WHEREAS**, NCOIL supports targeted state modernization initiatives that protect insurance consumers and streamline regulation; and

**WHEREAS**, an *Interstate Insurance Product Regulation Compact* (Compact) was developed to bring needed speed-to-market for life insurance, annuity, disability income, and long-term care insurance products; and

**WHEREAS**, NCOIL, The Council of State Governments (CSG), the National Association of Insurance Commissioners (NAIC), and the National Conference of State Legislatures (NCSL) have endorsed the Compact; and

**WHEREAS**, the Compact also enjoys insurance company and trade group support, as representatives of the American Council of Life Insurers (ACLI), America's Health Insurance Plans (AHIP), and the National Association of Insurance and Financial Advisors (NAIFA), among others, help promote Compact activities; and

**WHEREAS**, the Compact provides product-filing uniformity across the states, ensures vital consumer protections, and increases market competition and product availability; and

**WHEREAS**, the Compact central clearinghouse provides insurers the opportunity to make one product filing under a single set of national standards and, once approved, offer that product in all member states; and

**WHEREAS**, the Compact preserves flexibility for a company to seek product approval either through the Compact or on an individual state basis, and for a state to "opt out" of a particular product line with justification; and

**WHEREAS**, the Compact provides these efficiencies while maintaining state authority over all other areas of insurance regulation—including agent licensing, market conduct, company licensing, and solvency regulation; and

**WHEREAS**, states maintain power through their appointed representative to the Compact, who serve on the Compact Commission, its governing body; and

**WHEREAS**, state legislators continue to exercise their authority through an eight-member Legislative Committee, which provides recommendations to the Compact Commission; and

**WHEREAS**, Compact membership is revenue neutral for the states, as there is no cost to participate and states continue to collect critical insurance premium tax dollars and filing fees; and

**WHEREAS**, the Compact now comprises 41 jurisdictions representing nearly 70 percent of the nationwide premium volume for asset-backed insurance products; and

**WHEREAS**, achieving a fifty-state Compact would optimize speed-to-market for Compact-approved products and would demonstrate to the U.S. Congress that the states can collectively modernize insurance regulation where appropriate, making federal regulation of insurance unnecessary; and

**NOW, THEREFORE BE IT RESOLVED** that NCOIL strongly urges lawmakers in Arizona, Arkansas, California, Connecticut, Delaware, Florida, Montana, New York, North Dakota, South Dakota, and Washington, DC, to enact legislation to join the Compact in 2012; and

**BE IT ALSO RESOLVED** that NCOIL calls on:

- member states and representatives to encourage membership in the Compact; and
- states that have not joined the Compact to contact representatives of the Compact, NCOIL, NAIC, or NCSL for further information and assistance in joining; and

**BE IT FINALLY RESOLVED** that a copy of this Resolution be sent to state legislators, insurance regulators, and governors, to Congressional Committees with jurisdiction over insurance, and to the Federal Insurance Office.