**THE NATIONAL CONFERENCE OF INSURANCE LEGISLATORS  
RESOLUTION ON FEDERAL CHOICE NO-FAULT AUTO LEGISLATION**

#### *Adopted by the NCOIL Executive Committee on November 16, 1997.  Readopted by the NCOIL Executive Committee on July 13, 2001.*

WHEREAS, one of the main goals of NCOIL is the continued primacy of the states in the regulation of the business of insurance; and

WHEREAS, following a two year study aimed at identifying ways to lower the underlying costs of automobile insurance, NCOIL adopted a no-fault automobile insurance model act, known as the Automobile Accident Compensation and Cost Saving Act; and

WHEREAS, NCOIL has supported initiatives aimed at enactment of no-fault laws at the state level, so that states can effectively tailor the laws to meet the specific needs of policyholders in different jurisdictions; and

WHEREAS, Congress has before it a bill (H.R. 1704) which would enact no-fault at the federal level and impose standards upon the states; and

WHEREAS, these bills would preempt state insurance laws, despite lack of evidence that any crisis exists at the state level; and

WHEREAS, NCOIL believes it is poor public policy to force creation of new state insurance laws via federal mandate; and

WHEREAS, federal auto choice no-fault legislation runs contrary to the principles of  McCarran-Ferguson and its long-standing Congressional mandate which empowers states to regulate the business of insurance; and

WHEREAS, the bills at issue are particularly inappropriate in an era when decision-making authority is being returned to the states; and

WHEREAS, when circumstances warrant, individual states already have the option of adopting no-fault insurance systems.  In recent years, several states have considered this option; and

WHEREAS, Pennsylvania and New Jersey have already adopted variations of the auto choice no-fault; and

WHEREAS, other states, like Louisiana and Texas, have considered auto choice legislation but decided not to replace their existing auto insurance systems; and

WHEREAS, Florida, Michigan, and New York have enacted strong no-fault laws which have proven effective in helping to control auto liability insurance premium costs; and

WHEREAS, there is no compelling reason at present to justify a federal intrusion into the state motor vehicle insurance arena;

NOW, THEREFORE, BE IT RESOLVED, that NCOIL thereby

            --  reaffirms its commitment to state regulation of the business of insurance; and

            --  reaffirms the ability of each state to adopt or amend no-fault laws; and

            --  thus declares its opposition to federal auto choice no-fault insurance bill (H.R. 1704).

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