

By: Eiland

H.C.R. No. 197

CONCURRENT RESOLUTION

1 WHEREAS, State insurance regulators have ensured the
2 solvency of this nation's insurers, implemented a comprehensive
3 consumer protection scheme, licensed insurance companies and
4 agents, and supervised other areas of the insurance business for
5 over 150 years; and

6 WHEREAS, State regulators oversee thousands of insurance
7 companies and millions of agents and respond to more than three
8 million inquiries per year; and

9 WHEREAS, State insurance regulation has been largely
10 successful and effective, has adapted to changes in the
11 marketplace, and encourages innovation; and

12 WHEREAS, State legislatures and state insurance regulators
13 are more responsive to the needs of consumers and are more aware of
14 and responsive to the unique characteristics and demands of
15 individual states; and

16 WHEREAS, Many states, including Texas, regularly update
17 state insurance laws and have recently enacted legislation that
18 enables the insurance industry to more effectively respond to
19 changing market conditions; and

20 WHEREAS, Governors, state legislators, and insurance
21 commissioners have acknowledged the need to streamline and simplify
22 insurance regulation and are working to enact reforms to remedy the
23 unnecessary differences in state laws and eliminate requirements
24 that prevent insurers and agents from serving the needs of

1 insurance consumers in an effective and timely manner; and

2 WHEREAS, The 109th Congress considered and the 110th Congress
3 is expected to consider legislation that would establish an
4 entirely new insurance regulatory system at the federal level and
5 threaten the continued viability of the state system in the
6 process; and

7 WHEREAS, A new and untested federal insurance regulatory
8 system would almost certainly be more remote and politicized and
9 less accessible and responsive to consumers than the current state
10 system; and

11 WHEREAS, If enacted by congress, these proposals would
12 bifurcate insurance regulation between the states and the federal
13 government, undermining the state system of consumer protections
14 and financial surveillance, as well as inevitably causing a loss of
15 jobs, taxes, fees, and other vital and necessary state revenues
16 needed to effectively regulate the insurance market and provide
17 revenues to support residual market programs; and

18 WHEREAS, Insurance companies paid \$13.8 billion in annual
19 premium taxes to the states in 2004, and a federalization of
20 insurance regulation could put these payments and other fees and
21 revenues at risk; now, therefore, be it

22 RESOLVED, That the 80th Legislature of the State of Texas
23 hereby respectfully declare to the Congress of the United States
24 the legislature's commitment to maintaining the states as the sole
25 regulators of the business of insurance and to supporting state
26 efforts to streamline, simplify, and modernize insurance
27 regulation; and, be it further

1 RESOLVED, That the 80th Legislature of the State of Texas
2 hereby respectfully urge the Congress of the United States to
3 oppose any proposed law that would establish a federal insurance
4 regulatory system or otherwise alter the McCarran-Ferguson Act;
5 and, be it further

6 RESOLVED, That the Texas secretary of state forward official
7 copies of this resolution to the president of the United States, the
8 speaker of the house of representatives and the president of the
9 senate of the United States Congress, to the members of the U.S.
10 House Financial Services Committee, to the members of the U.S.
11 House Banking Committee, to the U.S. secretary of the treasury, and
12 to all the members of the Texas delegation to the congress with the
13 request that this resolution be officially entered in the
14 Congressional Record as a memorial to the Congress of the United
15 States of America.