

Substitute for Senate Resolution No. 94.

A resolution to memorialize the Congress of the United States to oppose the SMART Act and other preemptive federal insurance regulatory measures.

Whereas, Regulation, oversight, and consumer protection have traditionally and historically been powers reserved to state governments under the McCarran-Ferguson Act of 1945; and

Whereas, State legislatures are more responsive to the needs of their constituents and the need for insurance products and regulation to meet their state's unique market demands; and

Whereas, State legislatures, NCOIL, and NAIC continue to address uniformity issues between states by the adoption of model laws that address market conduct, product approval, agent licensing, and rate deregulation; and

Whereas, Initiatives are being contemplated by certain members of the United States Congress that would destroy the state system of insurance regulation and create unwieldy and inaccessible federal bureaucracies--all without consumer demand; and

Whereas, Many state governments derive general revenue dollars from the regulation of the business of insurance, and these initiatives would eventually draw premium tax revenue from the states; and

Whereas, Such initiatives include optional federal charter proposals that would bifurcate insurance regulation and allow companies to evade important state consumer protections and the State Modernization and Regulatory Transparency (SMART) Act, which would create mandatory federal insurance standards preempting state law; now, therefore, be it

Resolved by the Senate, That we express our strong opposition to such federal legislation that would threaten the power of state legislatures, governors, insurance commissioners, and attorneys general to oversee, regulate, and investigate the business of insurance, and to protect consumers; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, members of the United States House of Representatives Committee on Financial Services, the United States Senate Committee on Banking, Housing and Urban Affairs, and the members of the Michigan congressional delegation.