

103^D CONGRESS
2^D SESSION

H. J. RES. 414

To authorize and encourage States to adopt interstate compacts for the regulation of interstate insurance.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 1994

Mr. McMILLAN introduced the following joint resolution; which was referred jointly to the Committees on the Judiciary and Energy and Commerce

JOINT RESOLUTION

To authorize and encourage States to adopt interstate compacts for the regulation of interstate insurance.

Whereas Article I of the Constitution of the United States authorizes cooperation among the States through the use of interstate compacts;

Whereas the McCarran-Ferguson Act recognizes that the regulation by the several States of the business of insurance is in the public interest;

Whereas the States through the National Association of Insurance Commissioners have been engaged in an ongoing effort to improve regulation through a voluntary solvency standard and accreditation program;

Whereas there are more than 140 interstate compacts in effect today that have proven to be effective and efficient mechanisms for the States to strengthen and coordinate their regulatory responsibilities, particularly as they affect complicated and comprehensive multistate issues;

Whereas it is in the best interests of the people of the United States for the regulatory capability of those States to be enhanced; and

Whereas the business of insurance is increasingly a multistate and international business: Now, therefore, be it

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*

3 **SECTION 1. INSURANCE COMPACTS.**

4 The Congress acknowledges the benefits of interstate
5 compacts to address multistate problems. To the extent
6 that they are not already empowered to do so, the States
7 are encouraged and authorized to study and to adopt,
8 where appropriate, interstate insurance regulatory com-
9 pacts to address regulatory issues, including the regulation
10 of alien (non-United States) insurers and reinsurers, in-
11 surer solvency, rehabilitation and liquidation, guaranty
12 fund protection, and insurance agent licensing.

13 **SEC. 2. TIME LIMITATIONS.**

14 The States which have a majority of property and
15 liability insurance premiums paid in the United States
16 should adopt an interstate compact relating to the certifi-

1 cation of alien insurers and reinsurers referred to in sec-
2 tion 1 within 2 years of the date of the enactment of this
3 joint resolution. Such compact shall establish minimum
4 standards for alien insurers and reinsurers to be certified
5 to do business within such States within 3 years of such
6 date of enactment.

7 **SEC. 3. REPORT.**

8 The Secretary of Commerce shall submit to the Com-
9 mittee on Energy and Commerce of the House of Rep-
10 resentatives and the Committee on Commerce, Science,
11 and Transportation of the Senate a report which con-
12 tains—

13 (1) a determination of the effectiveness of com-
14 pacts referred to in section 1 with respect to the cer-
15 tification of alien insurers and reinsurers and other
16 compact functions,

17 (2) an assessment of State membership and
18 participation in such compacts, and

19 (3) a description of the substantive provisions
20 of any such compacts.

21 The first report shall be submitted not later than 27
22 months after the date of the enactment of this joint resolu-
23 tion and thereafter every year after such date.

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