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NCOIL PRESIDENT COMMENDS CSG FOR ANTI-OFC STANCE, CALLS FOR STATE SOLIDARITY

Washington, DC, December 10, 2008 — The National Conference of Insurance Legislators (NCOIL) today applauded The Council of State Governments (CSG) for again stating its opposition to federal insurance chartering and called on state officials to convene a strategy meeting to discuss financial regulatory reform. NCOIL President Senator James Seward (NY) commended the CSG for adopting a *Resolution Opposing Continuing Federal Insurance Chartering Efforts* during its recent December 3 through 7 Annual State Trends & Leadership Forum in Omaha, Nebraska.

Sen. Seward said:

NCOIL agrees with the CSG resolution—which strongly opposes the creation of federal insurance mechanisms, such as an optional federal charter (OFC) and an Office of Insurance Information (OII). NCOIL, like the CSG in its resolution, also aggressively refutes the implication that failures at American International Group (AIG) somehow reflect on state regulatory oversight—a myth that has been debunked several times over.

Sen. Seward reinforced the need for state officials to come together and develop consensus positions regarding the future of regulatory reform. Legislators and certain insurance commissioners had supported the idea during a Legislative Liaison session at the National Association of Insurance Commissioners (NAIC) Winter Meeting in Texas.

The NCOIL President said, “States cannot sit idly by as our carefully crafted consumer protection laws and strong solvency requirements are replaced by an untested federal system. The ongoing financial crisis has again confirmed that deregulation via optional, or mandatory, federal regulation does not protect American consumers.”

Sen. Seward continued, “Next year it will be more important than ever for state officials, including governors, attorneys general, insurance commissioners, and legislators, to work in unison to safeguard our regulatory authority to protect our consumers and businesses. The business of insurance provides millions of jobs to our constituents and is a top five revenue source in every state across our nation.”

Announcing plans for a strategy summit of state officials, Sen. Seward said, “We will soon send letters of inquiry to leadership of national organizations, including the NAIC, National Governors Association

(NGA), National Association of Attorneys General (NAAG), and the National Conference of State Legislatures (NCSL) to gauge interest in a joint meeting. Recognizing that time is of the essence, we should gather early next year so the states may have a unified voice in Washington, DC.”

The CSG Resolution was signed by CSG President Governor Jodi M. Rell (CT) and by CSG Chair Representative Kim Koppleman (ND) on December 6. NCOIL President-Elect Rep. Robert Damron (KY) and NCOIL Past President Rep. Brian P. Kennedy (RI) were among the resolution’s co-sponsors.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

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