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# HOUSE CONCURRENT RESOLUTION

EXPRESSING STRONG OPPOSITION TO PREEMPTIVE FEDERAL INSURANCE  
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 PROTECT CONSUMERS.

1           WHEREAS, regulation, oversight, and consumer protection  
2 have traditionally and historically been powers reserved to  
3 state governments under the McCarran-Ferguson Act of 1945; and  
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5           WHEREAS, state legislatures are more responsive to the  
6 needs of their constituents and the need for insurance products  
7 and regulation to meet their state's unique market demands; and  
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9           WHEREAS, many states, including Hawaii, have recently  
10 enacted and amended state insurance laws to modernize market  
11 regulation and provide insurers with greater ability to respond  
12 to changes in market conditions; and  
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14           WHEREAS, state legislatures, the National Conference of  
15 Insurance Legislators, and the National Association of Insurance  
16 Commissioners continue to address uniformity issues between  
17 states by the adoption of model laws that address market  
18 conduct, product approval, agent licensing, and rate  
19 deregulation; and  
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21           WHEREAS, initiatives are being contemplated by certain  
22 members of the United States Congress that would destroy the  
23 state system of insurance regulation and create unwieldy and  
24 inaccessible federal bureaucracies--all without consumer demand;  
25 and  
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1           WHEREAS, many state governments derive general revenue  
2 dollars from the regulation of the business of insurance,  
3 including \$83,077,514 from premium taxes generated in fiscal  
4 year 2005-2006 by the State of Hawaii; and

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6           WHEREAS, these initiatives would eventually draw premium  
7 tax revenue from the states; and

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9           WHEREAS, such initiatives include optional federal charter  
10 proposals that would bifurcate insurance regulation and allow  
11 companies to evade important state consumer protections and the  
12 State Modernization and Regulatory Transparency Act, which would  
13 create mandatory federal insurance standards preempting state  
14 law; now, therefore,

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16           BE IT RESOLVED by the House of Representatives of the  
17 Twenty-third Legislature of the State of Hawaii, Regular Session  
18 of 2006, the Senate concurring, that the Hawaii Legislature  
19 expresses its strong opposition to federal legislation that  
20 would threaten the power of state legislatures, governors,  
21 insurance commissioners, and attorneys general to oversee,  
22 regulate, and investigate the business of insurance, and to  
23 protect consumers; and

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25           BE IT FURTHER RESOLVED that certified copies of this  
26 Concurrent Resolution be transmitted to members of Hawaii's  
27 Congressional delegation, the United States House of  
28 Representatives Committee on Financial Services, and the United  
29 States Senate Committee on Banking, Housing, and Urban Affairs.

