
HOUSE CONCURRENT RESOLUTION

SUPPORT OF SURPLUS LINES INSURANCE MULTI-STATE COMPLIANCE
COMPACT.

1 WHEREAS, political and marketplace realities necessitate
2 the modernization of state insurance regulation; and

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4 WHEREAS, existing state laws governing surplus lines and
5 independently procured insurance for multi-state risks have
6 created confusing, duplicative, and inconsistent tax and
7 regulatory requirements; and

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9 WHEREAS, it is essential to streamline and improve the
10 efficiency of the surplus lines market by eliminating
11 duplicative and inconsistent tax and regulatory requirements
12 among the states so that surplus lines providers may better
13 comply with those requirements, thereby ensuring the continued
14 availability of surplus lines insurance to consumers; and

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16 WHEREAS, the adoption of the surplus lines insurance multi-
17 state compliance compact will streamline regulatory requirements
18 by providing for:

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20 (1) Exclusive single-state regulatory compliance for
21 multi-state surplus lines and independently procured
22 insurance placements;

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24 (2) Uniform premium tax allocation formulas; and

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26 (3) A clearinghouse to facilitate the correct calculation;
27 and reporting of premium taxes due to the compacting
28 states;

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30 will improve coordination of regulatory resources and expertise
31 between state insurance departments and other state agencies, as
32 well as state surplus lines stamping offices; and



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WHEREAS, the adoption of the surplus lines insurance multi-state compliance compact will protect and facilitate the collection of premium tax revenue on surplus lines and independently procured insurance placements by the compacting states; and

WHEREAS, the failure of the states to modernize this important area of insurance regulation will add momentum to those individuals and organizations supporting the creation of a federal insurance regulator to oversee federally chartered insurers; and

WHEREAS, federal insurance regulation initiatives would impinge upon states' authority to regulate insurance, and ultimately affect states' ability to collect insurance premium tax; and

WHEREAS, the National Conference of Insurance Legislators has long supported interstate compacts as an effective means to bring efficiency and uniformity to state insurance laws; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, Regular Session of 2008, the Senate concurring, that the Legislature supports the adoption by the several states of the surplus lines insurance multi-state compliance compact and is committed to aggressively work towards its enactment in this State; and

BE IT FURTHER RESOLVED that the Legislature requests the Insurance Commissioner to work with the National Association of Insurance Commissioners in developing proposed legislation for surplus lines insurance multi-state compliance compact to be adopted by the State; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to be the Insurance Commissioner and the President of the National Association of Insurance Commissioners.

OFFERED BY: 

