# NATIONAL CONFERENCE OF INSURANCE LEGISLATORS*RESOLUTION AFFIRMING STATE AUTHORITY IN THE REGULATIONOF CROP INSURANCE*

*Adopted by the NCOIL Executive Committee on February 25, 2000.
Amended by the NCOIL Property-Casualty Insurance and Executive Committees on July 12, 2002.*

WHEREAS, it has been the intent of Congress since the inception of the public-private crop insurance partnership between the insurance industry and the federal government to rely on the state insurance regulatory system to ensure sound insurance practices in the respective states; and

WHEREAS, insurance laws of the respective states – including licensing, sales, solicitation and unfair trade practices requirements – have well served the interests of consumers; and

WHEREAS, it is the state legislatures and state insurance departments that have expertise in regulating the activities of those entities that solicit, sell, and service insurance in the respective states; and

WHEREAS, any efforts in federal law to preempt state insurance sales, solicitation, or consumer protection statutes would hinder or deny the ability of state regulators to review insurance sales arrangements and are contrary to the principles of the McCarran-Ferguson Act and the tenth amendment; and

WHEREAS, the practice of “rebating” is anti-consumer and discriminatory and creates unfair competitive advantages in the insurance marketplace between otherwise similarly situated entities subject to state law; and

WHEREAS, 48 states currently have laws expressly prohibiting the practice of rebating; and

WHEREAS, any federal action taken to enhance and support the accessibility and delivery of crop insurance should be done giving full effect to state enacted insurance sales practices;

NOW THEREFORE BE IT RESOLVED, that NCOIL calls upon the United States Congress to consider onlycrop insurance reform legislation that codifies current regulatory requirements that everyone who sells or solicits the purchase of insurance products must be properly licensed in accordance with state law and abide by state law in the sale of crop insurance products; and

NOW THEREFORE BE IT FURTHER RESOLVED, that NCOIL forward a copy of this resolution and accompanying correspondence to the House and Senate Leadership and members of the House and Senate Agriculture Committees.

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