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# HOUSE 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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34           WHEREAS, the adoption of the surplus lines insurance multi-  
35 state compliance compact will protect and facilitate the



1 collection of premium tax revenue on surplus lines and  
2 independently procured insurance placements by the compacting  
3 states; and

4  
5 WHEREAS, the failure of the states to modernize this  
6 important area of insurance regulation will add momentum to  
7 those individuals and organizations supporting the creation of a  
8 federal insurance regulator to oversee federally chartered  
9 insurers; and

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

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

20  
21 BE IT RESOLVED by the House of Representatives of the  
22 Twenty-fourth Legislature of the State of Hawaii, Regular  
23 Session of 2008, that this body supports the adoption by the  
24 several states of the surplus lines insurance multi-state  
25 compliance compact and is committed to aggressively work towards  
26 its enactment in this State; and

27  
28 BE IT FURTHER RESOLVED that this body requests the  
29 Insurance Commissioner to work with the National Association of  
30 Insurance Commissioners in developing proposed legislation for  
31 surplus lines insurance multi-state compliance compact to be  
32 adopted by the State; and

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

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OFFERED BY: \_\_\_\_\_



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