

Offered: 4/24/86
Referred: Judiciary

Original sponsor: Labor and Commerce
Committee

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE JOINT RESOLUTION NO. 73 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Relating to national regulation of the
6 insurance industry.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS the business of insurance is conducted on a national basis
9 affecting national as well as state interests; and

10 WHEREAS the recent national insurance crisis demonstrates the need for
11 strong and effective regulation of the insurance industry; and

12 WHEREAS the insurance industry presently is primarily, if not exclu-
13 sively, regulated by the laws of individual states so that insurance com-
14 panies that conduct business in more than one state must comply not only
15 with different statutes governing similar activities, but also with varying
16 degrees of enforcement of insurance statutes from state to state; and

17 WHEREAS 15 U.S.C. 1011-1015 (the McCarran-Ferguson Act) generally
18 exempts the business of insurance from federal law where regulated by state
19 law and specifically exempts the business of insurance from the federal
20 antitrust laws to the extent that the business of insurance is regulated by
21 state law; and

22 WHEREAS the McCarran-Ferguson Act does not define what constitutes
23 state regulation, and some courts have interpreted this requirement to
24 permit exemption from federal law, whether or not the state law governing
25 insurance was enforced effectively or at all; and

26 WHEREAS no state has the capability to control adequately the prac-
27 tices of national and international insurance companies, particularly
28 reinsurance companies; and

29 WHEREAS recent developments in markets for commercial and professional

1 liability insurance have led to disastrous economic and social conse-
2 quences, both for the insurance industry and the public;

3 BE IT RESOLVED that the Alaska State Legislature respectfully requests
4 the United States Congress to repeal 15 U.S.C. 1011-1015 (the McCarran-
5 Ferguson Act), to adopt the statutes necessary to regulate effectively the
6 management and market practices of the insurance industry, and to establish
7 federal reinsurance programs for those businesses and professions unable to
8 obtain or afford liability insurance.

9 COPIES of this resolution shall be sent to the Honorable Ronald
10 Reagan, President of the United States; the Honorable George Bush, Vice-
11 President of the United States and President of the U.S. Senate; the Honor-
12 able Thomas P. O'Neill, Jr., Speaker of the U.S. House of Representatives;
13 and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S.
14 Senators, and the Honorable Don Young, U.S. Representative, members of the
15 Alaska delegation in Congress.