

AMENDMENT NO. 4

Calendar No. _____

Purpose: To amend the bill with respect to insurance.

IN THE SENATE OF THE UNITED STATES—106th Cong., 1st Sess.

S. _____

Referred to the Committee on _____
and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. GRAMS

Viz:

1 On page 19, strike line 20 and all that follows
2 through page 20, line 2 and insert the following:

3 (b) MANDATORY INSURANCE LICENSING REQUIRE-
4 MENTS.—

5 (1) IN GENERAL.—No person or entity may
6 provide insurance in a State as principal or agent
7 unless that person or entity is licensed, as required
8 by the appropriate insurance regulation of that State
9 in accordance with the relevant State insurance law,
10 subject to the nondiscrimination requirements of this
11 section.

12 (2) MOTOR VEHICLE RENTAL AGENCY ACTIVI-
13 TIES.—

1 (A) FINDINGS.—The Congress finds
2 that—

3 (i) State regulation of insurance con-
4 tinues to be in the public interest, as af-
5 firmed by the Act commonly known as the
6 McCarran-Ferguson Act;

7 (ii) in States that have laws that reg-
8 ulate the business of insurance, those State
9 laws should not be invalidated, impaired,
10 or superseded by any construction of a
11 Federal Act of Congress, unless such Act
12 specifically relates to the business of insur-
13 ance;

14 (iii) in rare instances where the States
15 have not yet had an opportunity to act to
16 choose whether to regulate an activity
17 which may or may not be insurance, it may
18 be appropriate for the Congress to create
19 a legal presumption until such time as the
20 States choose to assert their preeminent
21 authority of the regulation of the business
22 of insurance;

23 (iv) in many States, the insurance
24 laws are unclear as to whether personal in-
25 surance sales in connection with the rental

1 or leasing of motor vehicles should be li-
2 censed by the State as an insurance activ-
3 ity;

4 (v) in those States that have not yet
5 implemented regulations governing the sale
6 of short-term insurance offered with lease
7 or rental of a motor vehicle, a presumption
8 should exist that, absent a specific State
9 statute, rule, or regulation, to the contrary,
10 no insurance license is required in connec-
11 tion with such sales; and

12 (vi) the presumption should expire
13 once the States have had a reasonable op-
14 portunity to choose a regulatory scheme
15 governing such sales.

16 (B) EXCEPTION FOR CERTAIN INSURANCE
17 PRODUCTS.—Paragraph (1) does not apply to
18 any person or entity who offers or provides in-
19 surance ancillary to a short-term lease or rental
20 transaction of a motor vehicle in a State that
21 does not, by statute, rule, or regulation, impose
22 any licensing, appointment, personal or cor-
23 porate qualifications, or education requirements
24 on such persons or entities.

25 (C) CONSTRUCTION.—

1 (i) IN GENERAL.—Nothing in this
2 subsection shall be construed to alter the
3 validity or effect of any State law, or the
4 prospective application of any final State
5 statute, rule, or regulation which, by its
6 specific terms, expressly regulates or ex-
7 empts from regulation any person or entity
8 who offers or provides insurance ancillary
9 to a short-term lease or rental transaction
10 of a motor vehicle.

11 (ii) LEASE PERIOD.—For the pur-
12 poses of this paragraph, a person shall be
13 considered to be providing insurance ancil-
14 lary to a short-term lease or rental trans-
15 action of a motor vehicle if the lease or
16 rental transaction is for 60 days or less,
17 and the insurance is provided for a period
18 of consecutive days not exceeding the
19 length of the lease or rental.

20 (D) EFFECT.—This paragraph shall re-
21 main in effect during the period beginning on
22 the date of enactment of this Act and ending 5
23 years after that date of enactment.