

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda-underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board
—in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

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A Resolution Concerning Tax Treatment of Affiliated Reinsurance

Summary

The Resolution lays out the importance of offshore affiliated reinsurance in risk-spreading and management throughout the insurance business. The Resolution opposes new taxes on reinsurance which would reduce its supply and raise prices for consumers and business which use primary insurance.

Resolution

WHEREAS, reinsurance plays a vital role in managing and spreading risk for companies in nearly all segments of the insurance business; and

WHEREAS, as a means of managing capital, all large insurers make use of "affiliated" reinsurance purchased from companies within the same group; and

WHEREAS, such affiliated reinsurance serves a valid and important risk-transfer purpose which provides significant additional primary insurance capacity particularly in areas such as crop, windstorm, general, liability, products liability, and aircraft insurance; and

WHEREAS, United States based and non-United States based insurance groups currently pay functionally equivalent taxes on reinsurance transactions; and

WHEREAS, a major study from the economic research and consulting firm, "The Brattle Group" concluded that policies intended to reduce the use of affiliated reinsurance by companies with headquarters located outside of the United States would result in a 20 percent reduction in the supply of reinsurance and a significant increase in the prices of primary insurance for consumers and businesses; and

WHEREAS, such taxation would significantly limit the ability of many insurers to manage their capital and, thus, undermine the international risk management practices at the heart of international reinsurance markets; and

WHEREAS, a broad coalition of industry, consumer, and free market groups have spoken out against discriminatory taxation of offshore affiliated reinsurance.

THEREFORE BE IT RESOLVED that the American Legislative Exchange Council (ALEC) opposes any effort to impose new discriminatory taxes that would significantly limit the use of reinsurance by companies located outside of the United States by imposing a new punitive tax regime.

Adopted by the Commerce, Insurance, and Economic Development Task Force at the Annual Meeting, August 6, 2010. Approved by the ALEC Board of Directors, September 19, 2010.

Did you know that global corporation Kraft Foods served as corporate co-chair in 2011?

Related Files

[A Resolution Concerning Tax Treatment of Affiliated Reinsurance](#) (Microsoft Word Document)

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