

Why 1945 Changed Insurance Forever—And Why It Still Matters Today

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While 1945 is remembered for major events like the end of World War II and the passing of President Franklin D. Roosevelt, it also marked a turning point for the U.S. insurance industry — the passage of the McCarran-Ferguson Act. Though not as well-known, this law has shaped how insurance is regulated for the last 80 years.

In simple terms, the McCarran-Ferguson Act is a law that gave each state the power to regulate its own insurance. That means your home, car, health, and business insurance are all handled at the state level — not by the federal government in Washington, D.C.

Why that's a good thing:

Every state has different needs. For example, Idaho has wildfires, Florida deals with hurricanes and Oklahoma faces tornadoes. What works in one place might not work in another. State regulators understand their local risks, so they can propose rules and laws that make sense for their residents. Idaho solutions are unique to Idaho needs.

How it helps you:

Thanks to this system, you can call your state's insurance department directly if you have a problem — like a denied claim or confusing coverage. State officials are there to help, and they're close to home. Idaho solutions are developed more efficiently, and our elected officials are more responsive to our needs than an act of Congress.

It also encourages better choices and prices.

Because insurance companies have to follow Idaho laws and rules, they compete to offer better coverage and prices. Some states, like Idaho, lead the way in creating new types of insurance, like our proposals for State-based Health Insurance, Idaho's High Risk Reinsurance Pool, and this year our Property Insurance Mitigation and Stabilization Fund. Our efforts in Idaho have led to more health carriers, with more options, and better prices. We are working diligently to improve the property insurance market, as is every state in the country.

States work together, too.

Even though each state regulates its own insurance system, they also team up. Organizations like the NAIC (National Association of

Insurance Commissioners) help states share ideas, set standards, and keep things fair and consistent. They assure that if you purchase coverage from a company regulated in another state, that they are meeting the standards that protect you as a consumer.

Looking ahead:

The insurance world is always changing — with new risks, new technology, and new challenges. But the McCarran-Ferguson Act remains the foundation of insurance regulation in the U.S. It helps keep insurance strong, fair, and flexible — and it continues to protect people all across the country.

