

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS
LIFE INSURANCE & FINANCIAL PLANNING COMMITTEE
SAVANNAH, GEORGIA
MARCH 2, 2007
MINUTES

The National Conference of Insurance Legislators (NCOIL) Life Insurance & Financial Planning Committee met at the Hyatt Regency Savannah in Savannah, Georgia, on Friday, March 2, 2007, at 3:50 p.m.

Rep. Michael Ripley of Indiana, chair of the Committee, presided.

Other members of the Committee present were:

Rep. Donald Brown, FL	Assem. Nancy Calhoun, NY
Rep. Pat Patterson, FL	Assem. Ivan Lafayette, NY
Sen. Ralph Hudgens, GA	Sen. James Seward, NY
Sen. Ruth Teichman, KS	Sen. Steve Stivers, OH
Rep. Robert Damron, KY	Sen. Jake Corman, PA
Rep. Fulton Sheen, MI	Rep. Robert Godshall, PA
Rep. George Keiser, ND	Sen. Stewart Greenleaf, PA
Assem. William Barclay, NY	Del. Harvey Morgan, VA
Sen. Neil Breslin, NY	Rep. Virginia Milkey, VT

Other legislators present were:

Sen. Steven Geller, FL	Sen. Michael Chaney, MS
Sen. James Lewis, IN	Sen. William J. Larkin, Jr., NY
Rep. David Robertson, MI	Sen. Ann Cummings, VT
Sen. Alan Sanborn, MI	

Also in attendance were:

Susan Nolan, Nolan Associates, NCOIL Executive Director
Candace Thorson, NCOIL Deputy Executive Director
Mike Humphreys, NCOIL Director of Legislative Affairs & Education,
Life, Health, and Workers' Compensation Insurance Committees
Kevin Horan, NCOIL Director of State-Federal Relations

MINUTES

The Committee voted unanimously to approve the minutes of its November 10, 2006, meeting in Napa Valley, California.

TRAVEL-BASED UNDERWRITING

Kentucky Office of Insurance Executive Director Julie McPeak, Chair of the National Association of Insurance Commissioners (NAIC) Life Insurance and Annuities (A) Committee, said the issue of travel-based underwriting for life insurance was brought to the NAIC after Congresswoman Debbie Wasserman Schultz (FL) was denied a life insurance policy because of future plans to travel to Israel. Director McPeak said that a Working Group formed by the A Committee had drafted a model act for consideration by the full Committee that would make underwriting based on lawful travel to foreign countries a violation of the *Unfair Trade Practices Act*.

Senator Geller asked how the proposed model compared to legislation enacted in Florida that allows insurance companies to underwrite based on foreign travel plans, provided the underwriting can be actuarially justified. He suggested that it is much more dangerous to travel to New York City, Detroit, or Los Angeles than to Israel. Director McPeak said the proposed model would not outright prohibit underwriting based on travel, but would require companies that used travel plans as an underwriting factor to file the actuarially sound justification with the state department of insurance.

David Sandberg, representing the American Academy of Actuaries, expressed support for the use of actuarially justified rates in underwriting foreign travel plans, but raised concern regarding a provision in the proposed NAIC model. He suggested that instead of requiring companies to file rate information with the Commissioner prior to using it as a negative factor, the NAIC should consider requiring companies to document such information, and make it available upon request.

John Gerni of the American Council of Life Insurers (ACLI) said the proposed NAIC model may be too broad and noted that the new filing requirement could, in certain circumstances, slow the product approval process.

PRINCIPLES-BASED RESERVING

Due to time constraints, the Committee deferred discussion of principles-based approaches for life insurance reserving until the NCOIL Summer Meeting.

ADJOURNMENT

There being no further business, the meeting adjourned at 4:10 p.m.