

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS
FINANCIAL SERVICES & INVESTMENT PRODUCTS COMMITTEE
AUSTIN, TEXAS
NOVEMBER 18, 2010
MINUTES

The National Conference of Insurance Legislators (NCOIL) Financial Services & Investment Products Committee met at the Hilton Austin Downtown in Austin, Texas, on Thursday, November 18, 2010, at 4:00 p.m.

Assem. Joseph Morelle of New York, chair of the Committee, presided.

Other members of the Committee present were:

Rep. Greg Wren, AL	Assem. Jonathan Bing, NY
Sen. Ralph Hudgens, GA	Sen. William J. Larkin Jr., NY
Sen. Travis Holdman, IN	Sen. James Seward, NY
Sen. Vi Simpson, IN	Sen. Keith Faber, OH
Sen. Ruth Teichman, KS	Rep. Brian Kennedy, RI
Rep. Robert Damron, KY	Rep. Charles Curtiss, TN
Rep. Tommy Thompson, KY	Del. Harvey Morgan, VA
Rep. George Keiser, ND	Sen. Ann Cummings, VT
Sen. Carroll Leavell, NM	Rep. Kathleen Keenan, VT
Assem. William Barclay, NY	

Other legislators present were:

Rep. Susan Westrom, KY	Sen. David Thomas, SC
Rep. Don Flanders, NH	Del. Harry Keith White, WV
Rep. William Sandifer III, SC	

Also in attendance were:

Susan Nolan, NCOIL Executive Director
Candace Thorson, NCOIL Deputy Executive Director
Mike Humphreys, NCOIL Director of State-Federal Relations
Jordan Estey, NCOIL Director of Legislative Affairs & Education

MINUTES

After a motion made and seconded, the Committee voted unanimously to approve the minutes of its July 8, 2010, joint meeting with the NCOIL International Insurance Issues Committee in Boston, MA.

2011 COMMITTEE CHARGES

Assem. Morelle said the proposed 2011 Committee charges were as follows:

- investigate emerging state pension reforms and develop a position as appropriate
- follow developments regarding title, credit, and mortgage insurance regulation
- investigate and report on emerging insurance regulatory impacts of online social networking sites
- continue to monitor and report on implementation of the *Dodd-Frank Wall Street Reform and Consumer Protection Act*

Upon a motion made and seconded, the Committee unanimously adopted the 2011 charges.

FINANCIAL SERVICES REGULATORY SPECIAL SESSION

Assem. Morelle then convened a *Financial Services Regulatory Special Session* and introduced the following participants:

- Baird Webel, Specialist in Financial Economics, Congressional Research Service (CRS)
- Roy Woodall, Senior Insurance Policy Analyst, U.S. Department of the Treasury
- Amanda Yanek, Government Relations Analyst and Chief State Liaison, National Association of Insurance Commissioners (NAIC)

Following introductory remarks by Assem. Morelle, legislators and participants discussed insurance impacts of the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, including, among other things:

- creation and authorities of a new Federal Insurance Office (FIO) within the U.S. Treasury Department—including whether the FIO represented a threat to state insurance regulation
- composition and responsibilities of a Financial Stability Oversight Council (FSOC)—including the roles of three state regulators representing state banking, insurance, and securities officials
- systemic risk regulation and whether insurers would be subject to heightened regulatory requirements
- federal resolution authority and state regulators' continued responsibility to liquidate failing insurance companies

CREDIT INSURANCE/DEBT PROTECTION PRODUCTS

Beth Kastigar of the Consumer Credit Industry Association (CCIA) overviewed Federal Reserve Board (FRB) proposed Rule 1390, released in August, and commented that:

- although the Rule purported to address reverse mortgages and other mortgage issues, it reached far beyond by including a section on credit insurance, debt cancellation coverage, and debt suspension agreements
- the Rule included proposed disclosures that seemed to express FRB opposition to credit insurance and debt products
- the Rule proposed new ways of calculating product fees and premiums that contradicted the *Truth in Lending Act* (TILA) and could confuse consumers, among other things

Assem. Morelle asked Ms. Kastigar to submit a letter to the NCOIL Financial Services Committee to further describe the issue. Ms. Kastigar agreed and said that CCIA was preparing a draft letter for Members of Congress to send to the FRB saying that the Board had overstepped its authority.

ADJOURNMENT

There being no further business, the meeting adjourned at 4:40 p.m.