The National Conference of Insurance Legislators (NCOIL) Executive Committee met at the Park Plaza Hotel & Towers in Boston, Massachusetts on Sunday, July 11, 2010, at 9:30 a.m.

NCOIL President Rep. Robert Damron of Kentucky presided.

Other members of the Committee present were:

- Sen. Ralph Hudgens, GA
- Sen. Vi Simpson, IN
- Sen. Ruth Teichman, KS
- Rep. Tommy Thompson, KY
- Rep. Susan Westrom, KY
- Rep. George Keiser, ND
- Sen. Jerry Klein, ND
- Rep. Don Flanders, NH
- Sen. Carroll Leavell, NM
- Assem. William Barclay, NY
- Assem. Nancy Calhoun, NY
- Sen. William Larkin, Jr., NY
- Sen. James Seward, NY
- Sen. Keith Faber, OH
- Rep. Brian Kennedy, RI
- Sen. David Thomas, SC
- Rep. Charles Curtiss, TN
- Rep. Hubert Vo, TX
- Sen. Ann Cummings, VT
- Rep. Kathleen Keenan, VT
- Rep. Gini Milkey, VT

Sen. Travis Holdman of Indiana also was present.

Also in attendance were:

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

MINUTES
The Committee unanimously approved the minutes of its March 7, 2010, meeting in Isles of Palms, SC.

EXECUTIVE COMMITTEE NOMINATIONS
Rep. Damron reported that Rep. Jeff Greer (KY), as chair of the Kentucky House Banking and Insurance Committee, was automatically accepted as a voting member of the Executive Committee.

Sen. Simpson nominated Sen. Holdman for Committee membership and said that he had participated in several recent NCOIL meetings. Upon a motion made and seconded, the Executive Committee unanimously approved Sen. Holdman’s nomination.

MEETING REPORT
Ms. Nolan reported that there were nearly 350 registrants for the Summer Meeting, including approximately 50 legislative attendees.
FINANCIALS
Ms. Nolan reported on 2009 year-end financials for NCOIL, NCOIL Publishing, and the Insurance Legislators Foundation (ILF). She said that NCOIL had $699,622 in total revenues; $729,556 in total expenses; a $29,934 deficit; and $252,390 in end-of-year assets. She said that NCOIL had to write off $58,000 for states that had promised an NCOIL auditor that they would pay their dues but ultimately did not. She said that the Almanac financials were included in the NCOIL year-end numbers.

Ms. Nolan also reported that the ILF budget, which included both general and scholarship funds, featured $70,000 in total support and revenue; $54,828 in total expenses; $65,307 in net assets at the beginning of the year; and $90,381 in total end-of-year net assets.

The Committee unanimously approved the financials as presented.

NON-CONTROVERSIAL CALENDAR
Ms. Thorson reported that the non-controversial calendar included the NCOIL Credit Default Insurance Model Legislation, as amended.

The Committee adopted the non-controversial calendar via unanimous voice vote.

COMMITTEE REPORTS
Financial Services & Investment Products/International
Rep. Thompson, co-vice chair of the Financial Services Committee, reported that the Committee had:
• unanimously readopted NCOIL Credit Default Insurance Model Legislation, as amended (non-controversial calendar)
• determined to thank Committee Chair Assem. Joseph Morelle (NY) for his efforts to develop the NCOIL model legislation

Rep. Westrom, chair of the International Committee, reported that the Committee had:
• discussed international accounting standards’ impacts on states
• received a report on the U.K. coalition government and prospects for insurance regulation

Health, Long-Term Care & Health Retirement Issues
Sen. Cummings, co-chair of the Committee, reported that the Committee had:
• adopted amendments to a proposed Model Act Banning Fee Schedules for Uncovered Dental Services and deferred further consideration of the model until the Annual Meeting
• adopted amendments to a proposed Healthcare Balance Billing Disclosure Model Act and directed a subcommittee to continue model development during conference calls prior to the Annual Meeting

Life Insurance & Financial Planning
Sen. Hudgens, chair of the Committee, reported that the Committee had:
• discussed stranger-initiated annuity transactions (STAT) and formed an interim Subcommittee on STAT to hold conference calls on the issue prior to the Annual Meeting
• determined to develop model legislation for the Annual Meeting regarding disclosure to consumers of alternatives to surrendering/lapsing life insurance policies, and to hold interim meeting conference calls on the issue
• deferred until the Annual Meeting consideration of a proposed Resolution Protecting Consumers’ Rights in Annuity Contracts
• received a report on revisions to an NAIC suitability model act

Property-Casualty Insurance
Sen. Teichman, chair of the Committee, reported that the Committee had met twice and had:
• adopted amendments to a proposed Model Act Regarding Motor Vehicle Crash Parts and Repair and deferred further consideration of the model until the Annual Meeting
• deferred until the Annual Meeting consideration of a proposed substitute amendment to a Model Act Regarding Insurer Auto-Body Steering
• discussed insurance impacts of the BP oil spill
• deferred until the Annual Meeting legislators’ bylaws-required review of certain NCOIL models

State-Federal Relations
Mr. Humphreys, in the absence of the Committee chair, reported that the Committee had:
• approved remaining amendments to a proposed Market Conduct Annual Statement Model Act and deferred final consideration of the model until the Annual Meeting
• received a report on IIPRC activity

Workers’ Compensation Insurance
Assem. Calhoun, co-vice chair of the Committee, reported that the Committee had:
• adopted amendments to a proposed Trucking and Messenger Courier Industries Workers’ Compensation Model Act and determined to further review the model and other approaches during conference calls prior to the Annual Meeting
• deferred until the Annual Meeting a draft letter regarding data collection and analysis

Upon a motion made and seconded, the Committee unanimously accepted the reports.

SPECIAL MEETINGS: FINANCIAL REGULATORY REFORM
An Hour with Barney Frank
Rep. Damron reported that U.S. House Committee on Financial Services Chairman Barney Frank (D-MA) had discussed federal financial services reform and the Committee’s 2011 agenda with legislators and had said that there would be a strong push for optional federal charter (OFC) legislation in Congress next year.

Regulatory Dialogue
Regarding a special regulatory dialogue session, Rep. Damron reported that:
• legislators and regulators had discussed working together on financial modernization
• legislators had requested that the NAIC schedule a summit during its August National Meeting to strategize on issues related to producer licensing, surplus lines regulation, and other things
• legislators had suggested that, at the summit, officials could draft a proposal—which NCOIL could then approve at its Annual Meeting—reinforcing state opposition to an OFC
**Financial Regulatory Overhaul**
Sen. Seward, moderator of a *Special Meeting on Financial Regulatory Overhaul*, reported that legislator, consumer advocate, and industry representatives had discussed H.R. 4173, the *Dodd-Frank Wall Street Reform and Consumer Protection Act*. He said that the panel focused on the proposed new Financial Stability Oversight Council (FSOC) and Federal Insurance Office (FIO), as well as on mortgage origination and U.S. housing policy, among other things.

**SPECIAL MEETINGS: HEALTHCARE REFORM IMPLEMENTATION**

**Health Insurance Reform Overview**
Rep. Keiser, moderator of a forum entitled *Overview of Health Insurance Reform: Timeline from a State’s Perspective*, reported that legislators and panelists had discussed *Patient Protection and Affordable Care Act* (PPACA) implementation. He urged lawmakers to stay engaged in the policymaking process and to review forthcoming U.S. Department of Health and Human Services (HHS) regulations.

**Health Reform Insurer Impacts**
Rep. Damron, moderator of a session entitled *Health Reform and Health Insurers: What’s Expected, When and Why?*, reported that legislators and panelists had discussed how the PPACA would impact small and large insurance companies in the short and long terms.

**State Funding Challenges**
Assem. Barclay, moderator of a session entitled *Paying for It: Funding Challenges Integrating Medicaid, Medicare, and Private Plans*, reported that the session had focused on expansion of Medicaid under the PPACA and the impact on state budgets.

**Insurance Exchanges**
Rep. Kennedy, moderator of a seminar entitled *Insurance Exchanges: Interfacing Between Public and Private Plans*, reported that legislators and panelists had discussed state, regional, and national exchange issues and options, including case studies in Massachusetts and Utah.

**Impacts on Other Lines**
Sen. Leavell, moderator of a roundtable entitled *Health Reform and Other Lines of Insurance: Coordination, Cost, and Impact*, reported that legislators and panelists had focused on how the PPACA may impact auto insurance and workers’ compensation, as well as what the PPACA CLASS Act provisions might mean for public and private long-term care coverage.

**NCOIL-NAIC Dialogue**
Sen. Faber, chair of the Committee, reported that insurance regulators had overviewed NAIC efforts to comply with the PPACA, including submitting guidance on new medical loss ratio (MLR) standards. He emphasized that legislators and regulators needed to work together as the states tried to meet federal requirements.

**OTHER BUSINESS**
Legislators thanked Rep. Peter Koutoujian (MA) for all his efforts to support the Summer Meeting—particularly for his outreach to Congressman Frank. Rep. Damron also thanked organizations that had
contributed to the Insurance Legislators Foundation (ILF) scholarship fund and companies that had sponsored various coffee breaks and the keynote luncheon.

LEGISLATORS’ ROUNDTABLE
Legislators then discussed roundtable ideas for the NCOIL Annual Meeting. Among the topics recommended were:

- healthcare forums, patterned after the Summer Meeting schedule, that would address reform implementation
- federal financial services reform, including a Federal Insurance Office (FIO) and prospects for an optional federal charter (OFC)
- the solvency of state investment funds
- healthcare delivery system costs and perspectives
- international trade issues and insurance impacts
- unemployment insurance liabilities
- state and public pension systems, particularly related to health benefits

JoAnne Kron of Allstate, on behalf of the Industry Education Council (IEC), outlined suggested IEC topics related to distracted driving and graduated teen licenses, surplus lines taxation reform, state budget crises and retirement security, and tort reform.

ADJOURNMENT
There being no other business, the Executive Committee adjourned at 10:45 a.m.