

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS
EXECUTIVE COMMITTEE
NASHVILLE, TENNESSEE
NOVEMBER 24, 2013
MINUTES

The National Conference of Insurance Legislators (NCOIL) Executive Committee met at the Nashville Hilton Downtown in Nashville, TN, on Sunday, November 24, 2013, at 9:00 a.m.

Rep. Greg Wren of Alabama, NCOIL President-Elect, presided.

Other members of the Committee present were:

Sen. Travis Holdman, IN	Sen. Carroll Leavell, NM
Rep. Matt Lehman, IN	Assem. William Barclay, NY
Sen. Thomas Buford, KY	Sen. James Seward, NY
Rep. Steve Riggs, KY	Rep. Brian Kennedy, RI
Rep. Greg Cromer, LA	Sen. Robert Hayes, SC
Sen. Dan Morrish, LA	Sen. Larry Taylor, TX
Rep. Pete Lund, MI	Rep. Kathleen Keenan, VT
Rep. George Keiser, ND	Sen. Mike Hall, WV
Sen. Jerry Klein, ND	

Other legislators present were:

Rep. Ron Crimm, KY	Sen. David O'Connell, ND
Rep. Ken Goike, MI	Assem. Paul Aizley, NV
Rep. Michael Stinziano, OH	Assem. Kevin Cahill, NY

Also in attendance were:

Susan Nolan, Nolan Associates, NCOIL Executive Director
Candace Thorson, Nolan Associates, NCOIL Deputy Executive Director
Jennifer Webb, Nolan Associates, NCOIL Director of Legislative Affairs—DC
Eric Ewing, Nolan Associates, NCOIL Director of Legislative Affairs

MINUTES

Upon a motion made and seconded, the Committee unanimously approved the minutes of its July 14, 2013, meeting in Philadelphia.

NOMINATING COMMITTEE

Election of Officers

Sen. Leavell, chair of the Committee, reported that the Committee had nominated the following slate of officers for a 2013 to 2014 term:

President:	Rep. Greg Wren, AL
President-Elect:	Sen. Neil Breslin, NY
Vice President:	Sen. Travis Holdman, IN
Secretary:	Rep. Steve Riggs, KY
Treasurer:	Sen. Jason Rapert, AR

The Executive Committee unanimously approved the slate of officers by acclamation and accepted the Committee report as presented.

Recognition of Outgoing/Incoming Presidents

Sen. Leavell, Nominating Committee Chair, recognized outgoing President Rep. Charles Curtiss (TN), who could not attend the meeting, for his work over the past year, and presented incoming President Rep. Wren with an award of recognition.

MEETING REPORT

Ms. Nolan reported that there were 338 attendees at the Annual Meeting, including 82 legislators, 22 newcomers, and 18 regulators, including five commissioners.

FINANCIALS

Ms. Nolan presented the September 30, 2013, unaudited financials for NCOIL, the Insurance Legislators Foundation (ILF), and NCOIL Publishing LLC. She reported that:

- NCOIL had total income of \$514,900.38, total expenses of \$422,929.43, a change in net assets of \$91,970.95, and total net assets of \$376,135.38 at quarter's end.
- The ILF had total income of \$117,243.28, total expenses of \$129,244.98, and total net assets of \$171,354.75 at quarter's end.
- NCOIL Publishing had total income of \$22,389.79, total expenses of \$20,549.66, a change in net assets of \$920.07, and total net assets of \$32,121.05 at quarter's end.

Upon a motion made and seconded, the Committee unanimously approved the report.

BUDGET/AUDIT COMMITTEE

Ms. Nolan said the Committee had reviewed and approved the proposed budget for 2014, which she said reflected experience from previous years. Upon a motion made and seconded, the Committee unanimously approved Ms. Nolan's report.

NOMINATIONS

Upon a motion made and seconded, the Committee unanimously voted to suspend the Bylaws requirement that legislators must be present at an Executive Committee meeting for them to be nominated as new Committee members. Upon a separate motion and second, the Committee unanimously accepted, in their capacities as chair of a state insurance-related committee, Rep. Michael Costello, MA; Assem. Kevin Cahill, NY; Rep. Bob Hackett, OH; Sen. Robert Hayes, SC; and Rep. Steve McManus, TN, as automatic voting members of the NCOIL Executive Committee, as well as accepted Sen. David O'Connell, ND, and Assem. Paul Aizley, NV, as voting members.

NON-CONTROVERSIAL CALENDAR

Ms. Thorson said that the non-controversial calendar included the following:

Articles of Organization & Bylaws Revision Committee

- an amendment to Bylaws Section IV.B.11 to expand membership on the Nominating Committee:

IV. COMMITTEES (B.11)

Standing Committees of NCOIL shall be:

11. A Nominating Committee, consisting of ~~(5)~~ members **all NCOIL past presidents and chaired by the immediate past**

president, shall report nominations for officers and members of the Executive Committee at the annual meeting of NCOIL.

International Insurance Issues Committee

- a proposed *Resolution Reaffirming Support for the U.S. State-Based System in International Insurance Regulatory Discussions*

Workers' Compensation Insurance Committee

- proposed *Best Practices to Address Opioid Abuse, Misuse & Diversion* (adopted jointly with the Health, LTC & Health Retirement Issues Committee)
- NCOIL *Model Act Regarding Workers' Compensation Insurance Coverage in Professional Employer Organization (PEO) Relationships* (reviewed as per NCOIL bylaws)
- a proposed *Model Act on Workers' Compensation Coverage for Volunteer Firefighters* (with drafting note)

Upon a motion made and seconded, the Committee unanimously approved the non-controversial calendar.

COMMITTEE REPORTS

Financial Services & Investment Products Committee

Ms. Webb, in absence of the Committee chair, said the Committee had:

- received an update on Dodd-Frank implementation
- discussed the White House's draft Cyber-Security Framework
- heard a report on the SAFE Retirement Act
- received an update on municipal bond insurance developments, following Detroit
- discussed a proposed model law on pension de-risking, which was introduced for discussion by Rep. Keiser
- adopted 2014 Committee charges

After Rep. Keiser spoke to the importance of municipal bond insurance issues, the Executive Committee unanimously approved the report following a motion and second.

Health, Long-Term Care & Health Retirement Issues

Rep. Keiser, acting chair of the Committee, said the Committee had:

- discussed new models of care under the Affordable Care Act (ACA)
- heard a report on ACA-related consumer fraud
- voted to discontinue an NCOIL *Mental Health Parity Model Act*, which the Committee reviewed as per NCOIL bylaws
- adopted 2014 Committee charges

Upon a motion made and seconded, the Executive Committee unanimously approved the report.

International Insurance Issues

Sen. Leavell, chair of the Committee, said the Committee had:

- approved a *Resolution Reaffirming Support for the U.S. State-Based System in International Insurance Regulatory Discussion* (non-controversial calendar)
- discussed the designation of certain companies as G-SIIIs

- received an update on U.S. and non-U.S. accounting standards
- heard an update on trade negotiations
- adopted 2014 Committee charges

Upon motions made and seconded, the Executive Committee unanimously (1) reaffirmed its support for the resolution regarding the U.S. state-based system in international discussions, (2) approved a letter to Congress that would transmit the resolution, and (3) approved Sen. Leavell's Committee report. Rep. Wren noted that he was forming a task force of NCOIL legislators and interested parties, including the National Association of Insurance Commissioners (NAIC), that would work over the next several years to protect state regulation in the face of international regulatory challenges.

Life Insurance & Financial Planning

Sen. Hall, chair of the Committee, said the Committee had:

- heard a report on state unclaimed property efforts
- discussed longevity risk
- heard a report on state annuity sales and fiduciary regulation
- discussed captives taxation under the NRRRA
- received an update on contingent deferred annuities activity
- heard a report on a Texas law concerning life settlements and long-term care
- adopted 2014 Committee charges

Upon a motion made and seconded, the Executive Committee unanimously approved the report. Rep. Wren then spoke to developments related to unclaimed property and said he was forming a task force to provide clarity to the states.

NCOIL-NAIC Dialogue

Rep. Keiser, chair of the Committee, reported that the Committee had discussed:

- implementation of the ACA in states from a regulatory perspective
- international regulatory issues
- recent state-federal communications regarding regulatory jurisdiction
- unclaimed life insurance benefits

Upon a motion made and seconded, the Executive Committee unanimously approved the report.

Property-Casualty Insurance

Rep. Lehman, chair of the Committee, said that the Committee had:

- adopted a resolution supporting delay of *Biggert-Waters Act* flood insurance rate increases and agreed to consider potential longer-term flood insurance reforms
- considered proposed regulation of consumer legal funding and agreed to discuss the issue at the Spring Meeting and to consider a proposed model law at the Summer Meeting
- deferred, due to time constraints, a bylaws-required review of the NCOIL guaranty fund model act, as well as related proposed amendments
- discussed ongoing issues related to title insurance
- heard an update on efforts regarding a suggested ACORD 875 insurance binder
- adopted 2014 Committee charges

Upon a motion made and seconded, the Executive Committee unanimously approved the *Resolution Requesting United States Congress to Pass the Homeowners Flood Insurance Affordability Act* and Rep. Lehman's report.

State-Federal Relations

Rep. Kennedy, in absence of the Committee chair, said the Committee had:

- heard a report regarding the Consumer Financial Protection Bureau
- discussed pending TRIA legislation
- received a report on GAO findings regarding insurance and the financial crisis
- heard an update on NARAB II legislation
- discussed SLIMPACT/NIMA surplus lines developments
- received an update on the N2 Market Regulation Working Group
- heard an update on IIPRC developments
- adopted 2014 Committee charges

Upon a motion made and seconded, the Executive Committee unanimously approved the report.

Workers' Compensation Insurance

Ms. Thorson, in absence of the Committee chair, said the Committee had:

- adopted a proposed model law regarding coverage for volunteer firefighters (non-controversial calendar)
- readopted the NCOIL PEO model act (non-controversial calendar) for one year and determined to consult with insurance industry representatives during that time regarding possible modifications to the model
- discussed and deferred until the Spring Meeting further consideration of a proposed model regarding agricultural laborer coverage
- adopted 2014 Committee charges

Upon a motion made and seconded, the Executive Committee unanimously approved the amended model and the report.

SPECIAL SESSIONS

A New Era for Medicaid: Measuring Costs and Quality

Rep. Keenan, moderator of the session, said that it featured representatives from Amerigroup, the National Association of Medicaid Directors (NAMD), and Sen. Kemp Hannon of the New York State Senate. She said that the panel discussed the current and projected fiscal state of Medicaid programs, as well as new methods of healthcare delivery and other state reform efforts.

Joint Meeting on Best Practices to Curb Opioid Abuse

Rep. Keiser, speaking on behalf of the Workers' Compensation Insurance and Health, LTC & Health Retirement Issues Committee chairs, said that the Committees unanimously had adopted *Best Practices to Address Opioid Abuse, Misuse & Diversion*. He said the best practices offered a comprehensive guideline for states to use when dealing with opioid issues. Upon a motion made and seconded, the Executive Committee unanimously reaffirmed its support for the *Best Practices*.

Principle-Based Reserving Coming to the States: How Do Captives Play In?

Sen. Hall, Chair of the Life Insurance & Financial Planning Committee, said that a special committee meeting featured representatives from the American Council of Life Insurers (ACLI), the National Association of Insurance Commissioners (NAIC), the New York Department of Financial Services, and the Vermont Department of Financial Regulation. He said that the session examined the current progress of principle-based reserving (PBR) implementation and addressed questions surrounding PBR, such as life insurer use of captives and insurance department resources.

Special Property-Casualty Insurance Committee meeting on auto insurance verification

Rep. Kennedy, moderator of the session, said legislators had heard from, among others, representatives of the Insurance Industry Committee on Motor Vehicle Administration (IICMVA), Insure-Rite, and the National Public Safety Consortium/InsureNet. He said the purpose of the session was to explore potential approaches that could help states verify auto insurance coverage in order to rein in uninsured motorists.

Symposium on Health Exchanges

Sen. Seward, moderator of the session, said that the session featured representatives from Accenture, the American Academy of Actuaries (AAA), the American Medical Association (AMA), Enroll America, Milliman, and the National Federation of Independent Business (NFIB). He said that the session focused on current enrollment issues in the healthcare exchanges and projected healthcare costs.

OTHER SESSIONS

Articles of Organization & Bylaws Revision/Business Planning Committees

Ms. Nolan reported that the Bylaws Committee had adopted a bylaws amendment regarding Nominating Committee membership (on the non-controversial calendar). She reported that the Business Planning Committee had discussed future site issues, as well as a proposal to post NCOIL meeting materials online in an effort to reduce paper usage and printing costs. Upon a motion made and seconded, the Executive Committee unanimously approved the report.

Griffith Foundation legislator luncheon

Ms. Thorson reported that the Griffith Insurance Education Foundation had held a very well-attended legislators' luncheon workshop regarding subrogation. She said that the topic had emanated from an Industry Education Council (IEC) roundtable topic suggestion.

Insurance Legislators Foundation (ILF) Board

Rep. Wren reported that Board members had discussed, among other things, how to enhance ILF resources in order to further the success of ILF scholarships.

Keynote luncheon

Rep. Wren said that Congressman Jim Cooper (TN) had delivered an insightful keynote luncheon address regarding DC happenings.

Membership Committee

Rep. Keiser, chair of the Committee, said that the Committee had discussed targeted outreach to certain states, including follow-up to newcomers who attended the Annual Meeting. He reported that NCOIL now had two new contributing members: Nevada, thanks to Assem. Aizley's efforts, and Massachusetts, thanks to Rep. Kennedy's efforts.

OTHER BUSINESS

Prior to adjournment of the meeting, legislators discussed issues related to long-range NCOIL planning.

ADJOURNMENT

There being no other business, the Committee adjourned at 10:00 a.m.