

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS  
EXECUTIVE COMMITTEE  
PHILADELPHIA, PENNSYLVANIA  
JULY 14, 2013  
MINUTES

The National Conference of Insurance Legislators (NCOIL) Executive Committee met at the Philadelphia Marriott Downtown in Philadelphia, Pennsylvania on Sunday, July 14, 2013, at 9:00 a.m.

Rep. Charles Curtiss of Tennessee, NCOIL President, presided.

Other legislators present were:

Rep. Greg Wren, AL	Sen. Jerry Klein, ND
Sen. Jason Rapert, AR	Sen. Neil Breslin, NY
Rep. Matt Lehman, IN	Rep. Michael Stinziano, OH
Rep. Ron Crimm, KY	Rep. Brian Kennedy, RI
Rep. Steve Riggs, KY	Rep. Bill Botzow, VT
Sen. Dan Morrish, LA	Rep. Kathy Keenan, VT
Rep. Don Gosen, MO	Sen. Mike Hall, WV
Rep. George Keiser, ND	

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 March 8, 2013, meeting in Washington, D.C.

#### MEETING REPORT

Ms. Nolan reported that there were 284 attendees at the Spring Meeting, including 64 legislators, 21 newcomers, and 9 regulators including one commissioner.

#### FINANCIALS

Ms. Nolan presented the December 31, 2012, unaudited financials for NCOIL, the Insurance Legislators Foundation (ILF), and NCOIL Publishing LLC. She reported that in 2012:

- NCOIL had total income of \$643,673, total expenses of \$614,180, a change in net assets of \$29,493, and total net assets of \$315,366 at year-end.
- The ILF had total income of \$189,768, total expenses of \$158,493, a change in net assets of \$31,275, and total net assets of \$183,355 at year-end.

Ms. Nolan presented the April 31, 2013, unaudited financials for NCOIL, the Insurance Legislators Foundation (ILF), and NCOIL Publishing LLC, prefacing her reports by saying that first quarter numbers could not be seen as indicative of the organization's overall financial position. She reported that:

- NCOIL had total income of \$387,049, total expenses of \$152,435, a change in net assets of \$234,613, and total net assets of \$518,778 at quarter's end.

- The ILF had total income of \$43,513, total expenses of \$49,146, a change in net assets of \$5,633, and total net assets of \$177,723 at quarter's end.

Upon a motion made and seconded, the Committee unanimously approved Ms. Nolan's report.

#### NOMINATIONS

Upon a motion made and seconded, the Committee voted unanimously to accept Rep. Don Gosen (MO), in his capacity as chair of the Missouri House Insurance Policy Committee, as an automatic voting member of the NCOIL Executive Committee.

#### 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(J) to clarify committee voting privileges for Contributing-Member legislators who are not state committee chairs, as follows:

(J) Legislators from Contributing-Member states who are not chairs of state committees responsible for insurance legislation shall be eligible to vote on a standing NCOIL committee ~~at a Spring Meeting~~ if the legislators have joined the committee at least 60 days prior to the conference. Legislators who join fewer than 60 days prior shall wait one meeting before being eligible.

##### *Life Insurance and Financial Planning Committee*

- an amended *Model Unclaimed Life Insurance Benefits Act*

##### *State-Federal Relations Committee*

- a *Resolution in Support of the Further Extension of the Terrorism Risk Insurance Act of 2002*

##### *Workers' Compensation Insurance Committee*

- an amended version of an NCOIL Model Act on Workers' Compensation Repacked Pharmaceutical Reimbursement Rates

Following a motion from Rep. Botzow, the Committee unanimously agreed to consider the amended version of the NCOIL repackaged drug model act for further review under the Workers' Compensation Insurance Committee report.

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

#### COMMITTEE REPORTS

##### *Financial Services & Investment Products Committee*

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

- discussed Dodd-Frank implementation and insurer capital rules
- heard an update on municipal bond insurance developments
- heard a report on state/federal lender-placed insurance activity
- discussed personal mortgage insurance activity

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

#### *Health, Long-Term Care & Health Retirement Issues*

Mr. Ewing, in absence of the Committee chair, said the Committee had:

- discussed long-term care insurance issues and approaches
- discussed 2014 market reform implementation
- discussed Medicaid expansion under the ACA
- deferred the bylaws-required review of a *Mental Health Parity Model Act* to the Annual Meeting

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

#### *International Insurance Issues*

Mr. Ewing, in the absence of the Committee chair, said the Committee had:

- discussed ComFrame developments
- discussed group supervision
- heard a report on controversial U.S./non-U.S. accounting standards activity
- heard a report on U.S. trade agreement negotiations

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

#### *Life Insurance & Financial Planning*

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

- discussed private equity-held insurer regulation
- discussed principles-based reserving activity
- adopted an amendment to a *Model Unclaimed Life Insurance Benefits Act* (non-controversial)

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

#### *Property-Casualty Insurance*

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

- discussed ongoing challenges to the National Flood Insurance Program
- considered proposed consumer legal funding models
- discussed state title insurance regulatory approaches
- heard an update on state airbag fraud developments
- discussed proposed ACORD 875 enhanced insurance binder activity
- heard a report on state credit-scoring activity

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

#### *State-Federal Relations*

Rep. Kennedy, vice chair of the Committee, said the Committee had:

- discussed NARAB II producer licensing
- discussed Federal Insurance Office (FIO) activity
- adopted a *Resolution in Support of the Further Extension of the Terrorism Risk Insurance Act of 2002* (non-controversial)

- heard an update on the Multi-State Tax Commission (MTC) income tax project
- heard an update on N2 Market Regulation Working Group Initiative
- heard a report on IIPRC developments

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

*Workers' Compensation Insurance*

Rep. Botzow, chair of the Committee, said the Committee had:

- considered proposed best practices for curbing opioid abuse
- approved an amended NCOIL *Model Act on Workers' Compensation Repackaged Pharmaceutical Reimbursement Rates*
- reviewed a proposed model on volunteer firefighter coverage
- discussed regulatory approaches for farm laborers

Rep. Botzow said that there was an addition to the *Model Act on Workers' Compensation Repackaged Pharmaceutical Reimbursement Rates* amendments previously adopted by the Committee. He said that the amendment deals with the amount of time a provider could dispense a repackaged drug. The amendment adds the following:

D. The maximum period during which a provider may dispense a repackaged drug or over-the-counter (OTC) drug is seven days from the date of the employee's initial treatment.

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

OTHER MEETINGS

*Articles of Organization & Bylaws Revision/Business Planning Committees*

Rep. Crimm, chair of the Articles of Organization & Bylaws Revision Committee chair, said that the Committee had adopted an amendment regarding committee voting privileges (non-controversial).

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

Ms. Nolan, in the absence of the Business Planning Committee chair, reported on NCOIL future meeting sites. She said that as per Committee direction, she continued to look into the following locations:

- Spring 2015: Little Rock, AR
- Summer 2015: Indianapolis, IN
- Annual 2015: San Antonio, TX
- Spring 2016: Locations in South Carolina or Kentucky
- Summer 2016: New York, NY or Chicago, IL

She said that the annual meeting in Las Vegas will take place in 2016 rather than 2015 due to a scheduling conflict with the NAIC.

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

### *Membership Committee*

Rep. Keiser, co-chair of the Committee, said that the Committee continues to work with the Insurance Education Committee (IEC) on reaching out to targeted states for increased participation.

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

### SPECIAL SESSIONS

#### *Open for Business: How Will the Health Exchanges Work?*

Rep. Keiser, moderator of the session, said that the session featured representatives from the Center for Consumer Information and Insurance Oversight (CCIO), the U.S. Office of Personnel Management, the Wisconsin Office of the Commissioner of Insurance, America's Health Insurance Plans, and the Community Service Society of New York (CSSNY). He said that the session focused on the implementation of the health insurance exchanges and he said that he looked forward to discussing the issue further.

#### *Who Will Provide the Care Under PPACA? Tending to America's Healthcare Needs*

Rep. Wren, moderator of the session, said that it featured representatives from the Association of American Medical Colleges (AAMC), Association of Academic Health Centers (AAHC), American Hospital Association (AHA), and American Public Health Association (APHA). He said that the panel discussed the current and projected state of the healthcare workforce, as well as new methods of healthcare delivery and expanded scope of practice laws.

#### *Special Session on FIO Reports, Annual and Upcoming*

Sen. Breslin, moderator of the session, said that it featured representatives from Confre Strategies, the Property-Casualty Insurers Association of America (PCI), the National Association of Mutual Insurance Companies (NAMIC), and the Reinsurance Association of America (RAA). He said that the session addressed the current activities of the FIO as well as the recently released report on the state of the insurance industry.

#### *The World of Annuities: Regulation, Consumer Protection & Taxation*

Ms. Thorson, in absence of the moderator, reported that the session featured representatives from the American Academy of Actuaries (AAA), the Financial Industry Regulatory Authority (FINRA), the Insured Retirement Institute (IRI), the American Association of Retired Persons (AARP), and the National Association of Insurance Commissioners (NAIC). She said that the panel considered consumer disclosure, state and federal taxation policy, regulation, and other issues facing the annuities market.

### ADJOURNMENT

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