

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS
EXECUTIVE COMMITTEE
SAN FRANCISCO, CALIFORNIA
NOVEMBER 23, 2014
MINUTES

The National Conference of Insurance Legislators (NCOIL) Executive Committee met at the Grand Hyatt San Francisco in San Francisco, California, on Sunday, November 23, 2014, at 8:00 a.m.

Sen. Neil Breslin of New York, NCOIL President, presided.

Other legislators present were:

Sen. Jason Rapert, AR	Rep. Jay Hottinger, OH
Sen. Travis Holdman, IN	Sen. Bates, RI
Rep. Matt Lehman, IN	Rep. Brian Kennedy, RI
Rep. Steve Riggs, KY	Sen. William Walaska, RI
Sen. Jerry Klein, ND	Sen. Robert Hayes, SC
Assem. Barclay, NY	Rep. Bill Botzow, VT
Assem. Cahill, NY	Rep. Kathleen Keenan, VT
Rep. Jim Seward, NY	Sen. Mike Hall, WV
Rep. Bob Hackett, OH	

Also in attendance were:

Susan Nolan, Nolan Associates, NCOIL Executive Director
Candace Thorson, Nolan Associates, NCOIL Deputy Executive Director
Molly Dillman, Nolan Associates, NCOIL Director of Legislative Affairs
Andrew Williamson, Nolan Associates, NCOIL Director of Legislative Affairs

MINUTES

Upon a motion made and seconded, the Committee approved the minutes of its July 12, 2014, meeting in Boston, Massachusetts.

MEETING REPORT

Ms. Nolan reported that there were 346 attendees at the Annual Meeting, including 99 legislators, 35 newcomers, and ten regulators. Senator Breslin said this was a record number of legislators attending an NCOIL meeting.

DUES

Ms. Nolan said NCOIL is doing well on dues collections, with payment pending in eight states.

FINANCIALS

Ms. Nolan reported the NCOIL total income as of September 30, 2014, was \$567,391; total expenses were \$427,294; change in net assets was \$140,096; and total net assets (end of period) were \$521,870.

Ms. Nolan also said that total ILF income was \$115,541; total expenses were \$122,328; change in net assets was -\$6,786; and total net assets (end of period) were \$153,016. Ms. Nolan noted that the deficit was due to scholarships awarded. She said scholarship fund raising efforts will be increased in 2015.

Regarding NCOIL Publishing, Ms. Nolan reported that total income was \$18,320; total expenses were \$20,178; change in net assets was -\$1,858; and total assets were \$30,097. Rep. Keiser made a motion to cease production of the Almanac. He commented that the internet diminished the value of the publication and that NCOIL loses money each year. The Committee voted to stop the publication of the Almanac. Ms. Nolan reported that NCOIL Publishing assets would be transferred to NCOIL.

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

BUDGET

Ms. Nolan reported that the 2015 NCOIL proposed budget estimated total revenue of \$803,500; total expenses of \$793,050; and excess of \$10,450.

Upon a motion made and seconded, the Committee approved the 2015 NCOIL budget.

NOMINATION OF EXECUTIVE COMMITTEE MEMBERS

The Committee approved the following new members: Rep. Deborah Ferguson (AK), Rep. Kelley Linck (AK), and Rep. Joyce Elliot (AK).

NON-CONTROVERSIAL CALENDAR

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

Financial Services and Investment Products Committee

- letter to the Consumer Financial Protection Bureau (CFPB) regarding state insurance authority and possible overlap with CFPB enforcement actions

Workers' Compensation Insurance Committee

- proposed resolution in support of S.2731, the Medicare Secondary Payer and Workers' Compensation Settlement Agreements Act of 2014

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

COMMITTEE REPORTS

Financial Services & Investment Products Committee

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

- heard an update on cyber-security and cyber-insurance issues

- discussed CFPB and state insurance regulation and chose to move forward with a letter to the CFPB (non-controversial calendar) signed by Senator Breslin and sent to congressional and other entities
- adopted a resolution regarding best practices related to pension de-risking
- adopted 2015 Committee charges

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

Health, Long-Term Care & Health Retirement Issues

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

- discussed issues regarding telemedicine coverage
- heard a report on disability insurance costs and state budgets
- declined to adopt a proposed resolution regarding coverage for obesity treatment
- adopted Committee charges for 2015

International Insurance Issues

Sen. Rapert, vice chair of the Committee, said the Committee:

- heard a report from the International Issues Task Force
- discussed IAIS process/transparency concerns
- adopted Committee charges for 2015

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

Life Insurance & Financial Planning

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

- heard a report on amendments to the NCOIL unclaimed life insurance benefits model, as determined by the NCOIL Unclaimed Property Task Force
- heard an update on federal activity related to life insurer DMF access
- received an update on principles-based reserving (PBR)
- discussed NAIC captive regulation framework
- adopted Committee charges for 2015

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

NCOIL-NAIC Dialogue

Rep. Keiser, chair of the Committee, reported that the Committee had dialogued regarding various issues with Commissioner Todd Kiser from UT, Commissioner Sharon Clark from KY, and Commissioner Scott Kipper from NV.

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

Property-Casualty Insurance

Rep. Lehman, chair of the Committee, said the Committee had held two meetings and had:

- adopted a proposed model act regarding Medicaid interception of insurance payments
- received an update on developments regarding the National Flood Insurance Program (NFIP) and private-market flood insurance

- deferred bylaws-required review of the NCOIL insurance scoring mode and guaranty fund model/amendments until the 2015 Spring Meeting
- concluded the Committee’s consideration of proposed model legislation to regulate consumer litigation funding
- adopted Committee charges for 2015

Upon a motion made and seconded, the Executive Committee approved the report, including the *Model Act Regarding Medicaid Interception of Insurance Payments*.

State-Federal Relations

Rep. Damron, chair of the Committee, reported that the Committee had:

- discussed TRIA reauthorization efforts
- received a report on proposed NARAB II legislation
- discussed Federal Insurance Office (FIO)/Federal Advisory Committee on Insurance (FACI) activity
- received a report on NAIC market conduct accreditation efforts
- heard an update on IIPRC progress
- adopted Committee charges for 2015

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

Workers’ Compensation Insurance

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

- heard a report regarding the California workers’ compensation system
- postponed indefinitely a proposed model law regarding agricultural laborer coverage
- discussed proposed amendments to the NCOIL professional employer organization (PEO) model and determined to defer further consideration to the 2015 Spring Meeting
- adopted a proposed resolution regarding Medicare secondary payer reform (non-controversial calendar)
- adopted Committee charges for 2015

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

TASK FORCES

International Issues Task Force

Sen. Breslin, chair of the Task Force, said that the Task Force had discussed the importance of protecting state-based regulation, as well as the need for NCOIL to participate in “Team USA” and to further outreach to Congress. He said the Task Force also discussed a legislative “tool kit” for state advocacy.

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

Unclaimed Property Task Force

Rep. Keiser, co-chair of the Task Force, said that the Task Force had adopted amendments to the *NCOIL Model Unclaimed Life Insurance Benefits Act*, which completed the Task Force’s work.

Upon a motion made and seconded, the Executive Committee approved the report, including the NCOIL model as amended.

SPECIAL SESSIONS

PPAC Exchange Anniversary: What's Working and What Isn't?

Ms. Thorson, in absence of moderator Rep. Sarah Copeland Hanzas (VT), reported that Commissioner Scott Kipper of the Nevada Department of Insurance, Charles Bacchi of California Association of Health Plans, and Mark Estess of AARP Idaho and a member of ID Health Insurance Exchange spoke about exchange successes and challenges in their states, as well as to exchange issues more generally.

Ridesharing Services: Driving into Controversy

Rep. Matt Lehman, moderator of the session, reported that legislators had heard from representatives involved with or affected by the ridesharing industry. He noted that NCOIL would continue to explore ridesharing issues.

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

OTHER SESSIONS

Ad Hoc Strategic Planning Working Group

Sen. Seward, chair of the Working Group, reported that the Working Group had discussed changes to NCOIL bylaws, as well as items regarding NCOIL representation in Washington, DC. He noted that the lease for NCOIL's DC office space would extend until November 2015. He said that options for future NCOIL representation included (1) hiring a staff person in NCOIL National Office in Troy with the opportunity to relocate to Washington, DC, (2) having a staff person in the New York office travel to DC as needed, (3) hiring a part-time lobbyist in DC to represent NCOIL, and (4) conducting a search in DC for an NCOIL representative.

Sen. Seward said that the Council of State Governments (CSG) was interested in partnering with NCOIL to represent NCOIL in DC on a short-term basis and, among other things, that the CSG proposal included an annual fee of \$55,000, which would include a CSG travel budget. Sen. Seward said that the Ad Hoc Strategic Planning Working Group recommended that NCOIL enter into the agreement with CSG for a nine-month test period.

Following discussion and upon a motion made and seconded, the Executive Committee approved the report and authorized the Working Group to move forward with a potential CSG agreement.

Articles of Organization and Bylaws Revision Committee

Sen. Klein, chair of the Committee, said the Committee had adopted proposed bylaws changes, subsequently approved by the Executive Committee during a special meeting, offered by the Ad Hoc Strategic Planning Working Group.

Upon motions made and seconded, the Executive Committee approved the report.

Business Planning Committee

Sen. Holdman, chair of the Committee, said the Committee had discussed NCOIL meeting sites contracted for 2015 and 2016. He said the Committee recommendations for sites in the future included Portland, Maine; Chicago, Illinois; Salt Lake City, Utah; and New Orleans, Louisiana.

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 held a legislators' luncheon workshop entitled "*Property and Liability Insurance Implications of Legalization of Medical Marijuana*" that emanated from a general session survey option for the NCOIL Annual Meeting.

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

Insurance Legislators Foundation (ILF) Board

Sen. Breslin reported that the ILF Board had elected new officers and members for the upcoming year, including the following:

President:	Sen. Breslin, NY
Vice President:	Sen. Holdman, IN
Secretary/Treasurer:	Rep. Riggs, KY

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

Keynote luncheon

Sen. Breslin said Commissioner Dave Jones from the California Department of Insurance delivered an excellent presentation on threats to state-based regulation.

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

Special Executive Committee

Sen. Breslin, chair of the committee, reported that the Committee had adopted proposed bylaws amendments brought forward by the Ad Hoc Strategic Planning Working Group.

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

Nominating Committee

Rep. Keiser, in absence of Committee Chair Sen. Carroll Leavell (NM), presented the following slate of officers for 2014 to 2015:

President:	Sen. Breslin, NY
Vice President:	Sen. Holdman, IN

Secretary: Rep. Riggs, KY
Treasurer: Sen. Rapert, AR

Upon a motion made and seconded, the Committee unanimously approved the slate of officers.

ADJOURNMENT

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