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**NCOIL NAMES MARKET CONDUCT TASK FORCE;   
SEPTEMBER 12 HEARING SET**

**Albany, NY, August 21, 2003** - New York State Sen. Neil Breslin, Chair of the National Conference of Insurance Legislators (NCOIL) State-Federal Relations Committee, announced today the formation of a five-member task force to oversee the Committee's development of a model law on market conduct insurance regulation.

            The New York lawmaker said he would chair the task force.  He said the other NCOIL State-Federal Relations Committee members who had agreed to serve on the task force were Rep. Kathleen Keenan, VT, NCOIL President; Sen. Steve Geller, FL, NCOIL Vice President; Rep. Terry Parke, IL, NCOIL Past President; Rep. Brian Kennedy, RI, Chair of the NCOIL Health Insurance Committee; and Rep. Rich Golick, GA, Chair of the NCOIL Subcommittee on Natural Disaster Insurance Legislation.  Sen. Breslin said Rep. Parke would serve as vice chair of the task force.

            Sen. Breslin said the task force would develop a market conduct regulation model law

for consideration by the NCOIL State-Federal Relations Committee at the NCOIL Annual Meeting in Santa Fe, NM.  The Annual Meeting will be held at the El Dorado Hotel, November 20 through 23.

            Sen. Breslin also said the task force would hold a public hearing on a draft of the proposed model at the Chicago Hilton and Towers Hotel, 720 South Michigan Avenue, Chicago, on Friday afternoon, September 12, 2003, from 1:00 to 4:00 p.m.  He said the task force would release a formal notice of hearing, request to testify form, and a draft model on August 25.  He said the documents would be available from the NCOIL website at www.ncoil.org.

            Sen. Breslin said the draft model follows a more than four-year examination of market conduct regulation by NCOIL and the Insurance Legislators Foundation (ILF), a research and educational arm of NCOIL.  He said those studies produced two comprehensive reports entitled: "Insurance Market Conduct Examination: Public Policy Review," released in 2000, and "The Path to Reform -- The Evolution of Market Conduct Surveillance Regulation," released in May of this year.

            The earlier study found, among other things, wide disagreement regarding the purpose of market conduct examinations, especially as to whether such examinations should focus on general business practices or only on specific violations of law.  The same study found little coordination of market conduct examinations by states, leading to widespread and wasteful redundancies.  The more recent study found that the purpose of market conduct regulation, particularly examinations, should be to prevent and remedy unfair practices that have substantially adverse impacts on consumers.

            Sen. Breslin, who serves as the Ranking Minority Member of the New York Senate Finance and Insurance Committees, said the task force would welcome testimony at the hearing from the NAIC and its members, representatives of consumer and insurance organizations, state legislators, and other government officials.

            NCOIL is an organization of state legislators whose main area of public policy concern is insurance and insurance regulation.  Legislators active in NCOIL either chair or are active members of the committees responsible for insurance in their respective state legislative houses across the country.

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