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**STATE LEGISLATORS TO HOLD HEARING ON MARKET CONDUCT REPORT**

**Albany, New York, May 12** –   The Insurance Legislators Foundation (ILF), a research and educational arm of the National Conference of Insurance Legislators (NCOIL), announced today that it will hold a June 6 hearing on a recently released market conduct preliminary report entitled “*The Path to Reform – The Evolution of Market Conduct Surveillance Regulation.”*

The ILF hearing will be held at the Hotel Inter-Continental, 505 North Michigan Avenue, Chicago, Illinois, on Friday, June 6, from 1:30 to 4:00 p.m.

Rep. Parke, ILF Past President, presented the preliminary report in testimony before the U.S. House of Representatives Subcommittee on Oversight and Investigations on May 6, 2003.

In his testimony, Rep. Parke said the ILF seeks comments from consumers, insurance industry representatives, insurance commissioners and other interested parties on the preliminary report.  He said the preliminary report addresses the current deficiencies in the present-day insurance market conduct system and recommends a holistic approach to market conduct surveillance focusing on coordination between regulators and companies, and self-policing and self-certification.  The preliminary report was developed by James Schacht of Pricewaterhouse-Coopers and Robert Klein of Georgia State University.

At the hearing on June 6, the ILF Board will receive testimony focusing primarily on the recommendations in the preliminary report, including:

                Vesting the domiciliary state with primary responsibility for performing market conduct surveillance

                Self-certifying of compliance by insurer CEOs

                Conducting mandatory periodic dialogues between compliance officers of insurers and market conduct regulators to discuss relevant new laws and regulations and their interpretation

                Embedding market conduct surveillance into other regulatory functions

                Creating a National Market Conduct Oversight Committee to maximize interstate communications, cooperation and coordination

                Encouraging state adoption of the model statute to protect the confidentiality and privileged status of self-evaluation audits and independent assessments

                Rewarding companies that participate in independent standard setting and assessment programs

                Enhancement of the NAIC National Complaint Database

The ILF preliminary report is available on the NCOIL website at [www.ncoil.org](http://www.ncoil.org/).  Hard copies are available for a $75 shipping and handling fee by contacting the NCOIL National Office at (518) 449-3210.

The ILF Board includes Rep. Kathleen Keenan (VT), President; Sen. Steve Geller (FL), Vice President; Rep. Craig Eiland (TX), Secretary-Treasurer; and members Assem. Clare Farragher (NJ), Rep. Brian Kennedy (RI), Sen. Bill Larkin (NY), Rep. Terry Parke (IL), Sen. Harvey Tallackson (ND), and Rep. Frank Wald (ND).

Those wishing to testify at the hearing must submit a request-to-testify form to NCOIL by May 28 by mail: 139 Lancaster Street, Albany, NY 12210-1903, or by fax: (518) 432-5651.  Notice of hearing and request-to-testify forms are available on the NCOIL website, or may be obtained by calling the NCOIL National Office.  Persons testifying must submit an electronic copy of their written testimony to NCOIL by May 28 and bring 75 copies with them on the day of the hearing.  NCOIL will accept written testimony from persons unable to testify at the hearing until July 7.

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