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NCOIL LOOKS BACK AT INITIAL 2004 MARKET CONDUCT MODEL LAW AS OPTION FOR REFORM

Washington D.C., February 17, 2006—Lawmakers at the National Conference of Insurance Legislators (NCOIL) February 23 through 26 Spring Meeting in Weston, Florida, will hold a special session to review viable NCOIL market conduct reform initiatives. Specifically, an NCOIL *Market Conduct Surveillance Model Law*, adopted in February 2004, will be considered as an option for future NCOIL market conduct model legislation. The bill could replace a joint NCOIL-National Association of Insurance Commissioners (NAIC) model act that the organizations adopted in July 2004 and September 2004, respectively. The February 24 special meeting will be convened by the State-Federal Relations Committee from 4:00 to 5:30 p.m.

Legislators at the 2005 NCOIL Annual Meeting in November discussed the lack of state, and particularly regulatory, support for the joint NCOIL-NAIC model and identified the following three options: 1) return to the initial, February 2004 version; 2) reevaluate the joint draft; or 3) consider a recently enacted Texas market conduct bill based on the NCOIL-NAIC model.

At the request of the Committee in November, interested parties, including the Property Casualty Insurers Association of America (PCI), the American Insurance Association (AIA), the Center for Economic Justice (CEJ), and the Consumer Federation of America (CFA) submitted comments on the issue, including many regarding the initial market conduct model act.

In general, the NCOIL bill would establish a framework for Insurance Department market conduct actions, including processes and systems for identifying, assessing, and prioritizing market conduct problems that have a substantial adverse impact on consumers, policyholders, and claimants. NCOIL later amended the model law in response to regulator concerns.

The NCOIL Spring Meeting will be held at the Bonaventure Resort & Golden Door Spa in Weston, Florida.

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

For more information, please contact the NCOIL Washington Office at 202-220-3014.

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