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CONTACT: Susan Nolan
Candace Thorson
NCOIL National Office
518-687-0178

NCOIL RENEWS MARKET CONDUCT REFORM EFFORTS, FORMS SUBCOMMITTEE

Weston, Florida, March 2, 2006—At a special National Conference of Insurance Legislators (NCOIL) meeting on February 24, legislators renewed their efforts to enact market conduct surveillance reform and created a special subcommittee charged with examining viable NCOIL options, including an initial, February 2004 NCOIL *Market Conduct Surveillance Model Law*. The discussion, which also included a call for interested party comments, was held by the State-Federal Relations Committee during the NCOIL Spring Meeting in Weston, Florida.

Legislators at the session addressed issues including the need for confidentiality of market conduct exam data and reports, as well as the need for domestic deference and/or interstate cooperation and coordination.

They also noted the lack of state, and particularly regulatory, support for a joint NCOIL-National Association of Insurance Commissioners (NAIC) market conduct model act that NCOIL adopted in July 2004 and NAIC in September 2004. Legislators have received testimony from interested parties that point to continued inconsistencies in state market conduct efforts.

At the special meeting, Committee Chair and NCOIL Past President Rep. Craig Eiland (TX) announced that a new subcommittee would receive additional comments from consumer, insurance industry, regulator, and other representatives regarding the February draft.

Subcommittee members include Sen. Neil Breslin (NY), chair; Rep. Eiland; Sen. Steven Geller (FL), NCOIL Past President; Rep. Robert Damron (KY), NCOIL Executive

Committee Chair; Rep. Fulton Sheen (MI); Sen. Pam Redfield (NE); Sen. Carroll Leavell (NM); Rep. George Keiser (ND); Rep. Brian Kennedy (RI), NCOIL Secretary; and Rep. Mark Young (VT). Sen. Breslin had chaired the State-Federal Relations Committee during its initial deliberations on the February 2004 draft.

Lawmakers at the Spring Meeting also identified the following three NCOIL market conduct options: 1) return to the February 2004 model; 2) reevaluate the joint draft; or 3) consider a recently enacted Texas market conduct bill based on the NCOIL-NAIC version.

More than four years of NCOIL investigation into the issue, including publication of two Insurance Legislators Foundation (ILF) studies, have found wide disagreement regarding the scope and purpose of market conduct exams and widespread and wasteful redundancies.

The NCOIL Spring Meeting was held from February 23 through 26 at the Bonaventure Resort & Golden Door Spa in Weston, Florida.

NCOIL is an organization of state legislators whose main 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. More information is available at www.ncoil.org.

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

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