

REGISTRATION FOR NCOIL SUMMER MEETING
NOW OPEN!! *See page 3 for details*



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CORPORATE & INSTITUTIONAL
PARTNERS PLANNING MEETING

JUNE 8—9, 2017

NCOIL SUMMER MEETING
JULY 12—15, 2017

InterContinental Chicago Magnificent Mile
Chicago, IL



Rep. Steve Riggs, KY
NCOIL President



Thomas B. Considine
NCOIL CEO

THE INDUSTRY EDUCATION COUNCIL: NCOIL'S EDUCATIONAL PARTNER

Suzanne Loomis

Not long after NCOIL was founded in 1969, a second organization launched to support the activities of the new association. First called the Insurance Advisory Committee and now named the Industry Education Council (the IEC), this second, industry-based group continues to stand alongside NCOIL to assist with its important work.

Comprised of more than 100 private-sector organizations, IEC activities include financial and educational support for NCOIL and its members.

On the financial front, the IEC provides yearly grants to the Insurance Legislators Foundation. Over the last ten years, the grants totaled more than \$1 million and are used to support NCOIL meetings, initiatives and legislator scholarships.

On the education front, the IEC identifies current and emerging policy issues and shares these issues with NCOIL, so that the information can be used to inform and contribute to

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NCOIL CALLS FOR FORMAL REOPENING OF NEGOTIATIONS ON COVERED AGREEMENT OR CONGRESSIONAL HALT TO EFFECTIVENESS

Commissioner Tom Considine, NCOIL CEO reached out to House Financial Service Chairman Sean Duffy and Ranking Member Dennis Ross to urge that Congress notify the Department of the Treasury (DOT) that it needs to formally reopen negotiations with the European Union (EU) regarding the Covered Agreement or Congress will prevent the agreement from becoming effective.

Considine, in a recent letter copying Treasury Secretary Steven Mnuchin, also expressed NCOIL's commitment to working with Congress in the days to come when reviewing the January 13, 2017 covered agreement

negotiated by representatives of the DOT and the Office of the U.S. Trade Representative (USTR) with the EU regarding certain aspects of the business of insurance by companies operating in both jurisdictions.

"NCOIL stands ready, willing and able to work with Congress before the April 13th expiration of the 90-day congressional review period" stated Considine. "We are urging that Congress make it crystal clear to the Treasury Department that Treasury needs to formally reopen negotiations around the covered agreement or Congress will take steps

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Sen. Jason Rapert, AR
Vice President



Rep. Bill Botzow, VT
Secretary



Rep. Matt Lehman, IN
Treasurer



Sen. Travis Holdman, IN
Immediate Past President

IEC Council Continued...

discussions in general sessions, committee meetings and other forums.

Insurance lawmakers need accurate and objective information about the issues affecting the insurance industry, consumers and markets. The IEC is the vehicle through which the industry can provide such information.

The strength of the IEC is its diverse membership. It includes many of the world's largest insurers and financial services companies, as well as smaller firms and major national and state trade associations. By bringing together so many viewpoints, the IEC is able to provide NCOIL a comprehensive view of insurance issues.

Importantly, the IEC does not lobby NCOIL or its members and is prohibited from doing so by its bylaws. Rather, the IEC serves to raise issues and provide subject matter expertise. The organization is a resource which NCOIL uses as a foundation for

policy research which leads to development of model bill language.

While much has changed in the world of insurance since the NCOIL-IEC partnership began nearly five decades ago, the need for lawmakers to have accurate, clear information about issues in insurance has not. With this ever-present need in mind, the IEC looks forward to continuing to support the work of NCOIL in the months and years ahead.

The IEC will periodically contribute to the NCOIL Newsletter by identifying issues that may be coming to state legislatures or federal issues that may impact the states. Please contact me or Teresa Casey at IEC with your thoughts and suggestions.

Suzanne Loomis is the President of the Industry Education Council and Senior Vice President & Assistant General Counsel at Primerica.

STATE-BASED REGULATION OF INSURANCE UNDER ATTACK BY CONGRESS

Commissioner Tom Considine, NCOIL CEO, recently sent letters to the Senate Judiciary Chair Chuck Grassley and Ranking Member Dianne Feinstein to oppose efforts to repeal the federal antitrust exemption for health insurers as set forth in The Competitive Health Insurance Reform Act of 2017 (H.R. 372) and the Senate Committee on Health, Education, Labor & Pensions Chair Lamar Alexander and Ranking Member Patty Murray regarding the Small Business Health Fairness Act (H.R. 1101). Both pieces of legislation recently passed the House of Representatives.

"Both of these pieces of legislation would negatively impact state-based regulation of insurance" said Commissioner Tom Considine, NCOIL CEO. "Our system has provided a stable marketplace for consumers and industry. These bills are the undoing of those protections."

"Giving more power to Washington, DC over insurance matters is a recipe for disaster.

This system has worked for nearly 75 years" said KY Rep. Steve Riggs, NCOIL President. "As a state legislator, my constituents find it easier to reach me and know how to reach the insurance regulators in our state if they have an issue."

Repealing the McCarran-Ferguson Act's limited antitrust exemption for health insurers would ignore already-existing

State antitrust protections, reduce competition, and increase costs for consumers. The application of the McCarran-Ferguson federal antitrust exemption has worked well for decades to promote the largest, most competitive and innovative insurance marketplace in the world.

NCOIL agrees with the testimony given by America's Health Insurance Plans (AHIP), the National Association of Insurance Commissioners (NAIC), the National Association of Mutual Insurance ***Continued on Page 3***

NCOIL calls for formal reopening of negotiations on covered agreement cont'd

to prevent the agreement from becoming effective.”

NCOIL opposes the covered agreement and views it as an intrusion by both the federal executive branch and international regulatory authorities into the U.S. state-based system of insurance regulation that has effectively protected consumers and helped create the largest, most competitive and innovative insurance market in the world.

Of specific concern to NCOIL and its State legislator members are the agreement’s provisions that, if they go into effect, will eliminate all reinsurance collateral requirements for European reinsurers. NCOIL takes the position that large, strong U.S. insurance

companies can insist on reinsurance collateral in its agreements, but small and mid-sized regional or single-state companies simply do not have the market presence to negotiate for reinsurance collateral in its agreements. Considine, on behalf of NCOIL called the covered agreement “a win for Wall Street and a loss for Main Street.”

“As state legislators, we have confidence in the U.S. state-based system of insurance regulation” said KY Rep. Steve Riggs, NCOIL President. “Both the result and the secret manner in which this agreement happened adversely affects consumers and industry in our states.”

NCOIL SUMMER MEETING INTERCONTINENTAL CHICAGO MAGNIFICENT JULY 12—JULY 15, 2017



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State-Based regulation of insurance continued.....

Companies (NAMIC), and the Property Casualty Insurers Association of American (PCI) to the U.S. House Judiciary Subcommittee on Regulatory Reform, Commercial and Antitrust Law on February 16, 2017 that opposed H.R. 372 and noted the harmful implications that the legislation would have on the insurance marketplace.

Exempting “Association Health Plans (AHPs), from State insurance regulation If enacted, H.R. 1101 would seriously undermine efforts

States have made to protect consumers, and would ignore the fact that States, as the primary regulators of the local health insurance markets, are better able to assure effective regulation of entities such as AHPs than the federal government. Also, the solvency standards set forth in H.R. 1101 are inadequate and if enacted, AHP’s could suffer the same fate that multiple employer welfare arrangements (MEWAs) did in the 1990s, leaving consumers uninsured and with no place to turn for redress.

NCOIL CORPORATE & INSTITUTIONAL PARTNERS PROGRAM

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CIP Member Planning Meeting

June 8—9, 2017

Hyatt Regency, Jersey City NJ