



**IN MEMORIAM
REP. DON FLANDERS
1935-2017**

Rep. Don Flanders was a long time NCOIL participant, executive committee member, Vice-Chair of the Audit Committee, Past Vice-Chair of NCOIL Financial Services & Investment Products Committee. He passed away on September 28th 2017.

NCOIL Leadership offered the following thoughts about Don.

"Don was a diligent legislator who served multiple roles at NCOIL, including Vice Chair of the Audit Committee and multiple policy committees" KY Rep. Steve Riggs, NCOIL President. "He brought the insurance policy perspective from his state and we will miss him greatly."

"Don was an astute gentleman and at the core of NCOIL for a very long time and will be missed on both sides of the Connecticut river" said VT Rep Bill Botzow, NCOIL Secretary.

"Rep. Flanders was a leader among the ranks of the nation's insurance legislators, and he will be sorely missed" Commissioner Tom Considine, NCOIL CEO. "Additionally, Don was a man who ranked family as his top priority, something we at NCOIL respected tremendously. Our then-President asked Don to take on a more formal, permanent leadership role last year, but Don passed because he did not want to miss more time from his family. He was a good man who did great things."



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November 16—19, 2017	
Sheraton Phoenix Downtown	
Phoenix, Arizona	

NCOIL HEALTH COMMITTEE AND AIR AMBULANCE TASK FORCE INTERIM CALL

Chairmen Cahill and Greer will be hosting an interim joint Health, Long Term Care and Health Retirement Issues Committee/Air Ambulance Task Force Conference call on Friday, October 13th from 10:00 a.m. to 12:00 p.m. ET.

The purpose of the interim committee conference call is to discuss:

- the comments received from interested parties on Senator Seward's Draft Out-of-Network Balance Billing Transparency Model Act.
- draft Model legislation for States to consider regarding balance billing from air ambulance service providers.

The call will be split evenly between both issues - 10:00 a.m. to 11:00 a.m. will be focused on the Health Committee and 11:00 a.m. to 12:00 p.m. will be focused on the Task Force.

You can view the proposed Models [here](#) and register [here](#).

Dial-in information and a formal agenda will be circulated prior to the call.

NCOIL CONCLUDES SECOND ANNUAL DC FLY-IN TO EDUCATE MEMBERS OF CONGRESS ABOUT THE IMPORTANCE OF STATE-BASED REGULATION

Manasquan, NJ: - On September 27th, a bipartisan group of NCOIL legislators from State Senates, Houses and Assemblies around the country met in Washington DC to educate Members of Congress, and their staffs about the vital importance of state-based regulation of insurance and its success for more than 70 years.

Participating legislators including KY Rep. Steve Riggs, NCOIL President; AR Senator Jason Rapert, NCOIL Vice President; VT Rep. Bill Botzow, NCOIL Secretary; IN Sen. Travis Holdman, NCOIL Immediate Past President; AZ Rep. David Livingston; FL Rep. David Santiago; IN Rep.

Martin Carbaugh; MN Rep. Joe Hoppe; and NV Assemblywoman Maggie Carlton. They participated in more than 50 meetings with Senators, Congressman, committee and congressional staff to highlight the need to protect the state-based system of insurance regulation.

"Today more than ever, Members of Congress and their staff need to know the importance of state-based regulation of insurance to their states" said KY Rep. Steve Riggs, NCOIL President. "Any attempts to weaken this system have grave consequences for our mutual constituents-consumers, companies and our superior

Cont'd on Page 5

IEC VIEW: INSURER & REGULATORY RESPONSE TO CYBER ATTACKS

Contributed to the NCOIL Newsletter by the Industry Education Council to NCOIL



Rep. Steve Riggs, KY
NCOIL President



Thomas B. Considine
NCOIL CEO

Cyber crime is one of the greatest threats facing financial service firms, including insurance companies and other licensees of state insurance departments. Not surprisingly, legislators and regulators in individual states remain focused on insurers' cyber preparedness and are taking action to impose new cybersecurity standards on insurance entities. As more states seek to adopt enhanced security requirements, the need for uniform cybersecurity standards for insurance entities becomes increasingly important. Insurers' security programs are typically companywide and do not vary from state to state. Nor do the threats facing insurers vary from state to state. Uniform national standards and requirements will ensure consistent consumer protection across the country and enable insurers to most effectively protect their own and their customers' nonpublic information.

Insurers are already subject to state insurance laws and regulations imposing comprehensive data security requirements to protect

consumers' nonpublic information. In addition, there are several general state data security laws that are enforced by state Attorneys General. Often, these laws provide exemptions for covered entities that are financial institutions or subject to and in compliance with laws that provide greater protection. Nevertheless, it is important to ensure there are not overlapping and inconsistent obligations.

Insurers prioritize and support their affirmative obligation to implement and maintain robust data security programs to protect the security of their customers' personal information. To the extent a state deems it necessary to establish additional statutory security expectations, it is important that these are flexible, risk-based and consistent across jurisdictions. A flexible, risk-based approach allows entities to adapt to both existing and emerging threats. Consistency ensures equal treatment, maximum efficiency and consumer protection. *Cont'd on Page 3.*

NCOIL EXPRESSES DISAPPOINTMENT IN COVERED AGREEMENT SIGNATURE

Commissioner Tom Considine, NCOIL CEO issued the following statement when it was announced that the United States Treasury intends to sign the Covered Agreement:

"NCOIL has been saying for eight months that this agreement is a win for Wall Street at the expense of Main Street because companies that do not have the market presence to demand collateral contractually will lose its statutory protections and the companies large enough to demand it will continue to do so. Additionally, of course this agreement is an intrusion by both the federal government and international regulatory authorities into the U.S. state based regulation of insurance regulation that has effectively protected consumers and helped create the largest, most competitive and innovative insurance market in the world. Signing the agreement puts that at significant risk. NCOIL and its members are profoundly disappointed."

CONSIDINE & FARMER SPEAK AT TEXAS ASSOCIATION OF LIFE & HEALTH INSURERS

Commissioner Tom Considine, NCOIL CEO and South Carolina Insurance Director Ray Farmer spoke at a lively panel discussion during the Texas Association of Life & Health Insurers about Hot Topics at NCOIL and the NAIC during the 2017 TALHI Round Up.

"I was pleased to discuss what NCOIL has been doing to protect state-based regulation and share our initiatives at the TALHI meeting" said Commissioner Tom Considine, NCOIL CEO. "Director Farmer was very informative and the participants asked timely questions." *Cont'd on Page 3.*



Sen. Jason Rapert, AR
Vice President



Rep. Bill Botzow, VT
Secretary



Rep. Matt Lehman, IN
Treasurer



Sen. Travis Holdman, IN
Immediate Past President

CYBER ATTACKS Cont'd

An insurance consumer in Colorado, for instance, should be able to expect his or her personal information to be secured in the same manner as a consumer in New York or California. Further, inconsistent state requirements enforced by various regulators provide uneven protections for consumers and make compliance extremely burdensome and expensive for insurers.

The New York State Department of Financial Services (“NYSDFS”) recently adopted enhanced cybersecurity requirements for financial institutions, including insurance entities. The regulations, which became effective on March 1, 2017, combine fixed requirements with more flexible risk-based standards to allow entities to develop a cybersecurity program appropriate to their size, sophistication, and risks. The NYSDFS approach has influenced the National Association of Insurance Commissioners (“NAIC”), which is expected to adopt a model law governing cybersecurity standards for insurance entities in the coming months. The NAIC model law is broadly similar to New York’s regulation, although there are still some differences. As the model law is considered by state legislators in 2018, promoting clear, consistent and uniform standards is crucial to consumer protection. To ensure level consumer protection across the country and avoid subjecting insurance companies and other insurance licensees to different and conflicting standards in different states or in any individual state, it is critical that legislators understand the current legislative and regulatory landscape in their state to effectively create security standards applicable exclusively to insurance licensees and to foster national uniformity.

TALHI Cont'd

Immediately following Considine's and Farmer's remarks, a lively and informative Q&A session was also conducted, during which Considine discussed some of the issues that NCOIL has been working to highlight.

Such issues included: the American Law Institute's (ALI) Proposed Restatement of the Law of Liability Insurance - essentially a "NEWstatement" of the law of liability insurance; the Covered Agreement - a win for Wall Street and a loss for Main Street, which was signed this past Friday; the Catch-22 that consumers faced due to proposed HHS regulations regarding Health Savings Accounts - regulations which were altered in a way that showed HHS listened to NCOIL's requests for changes; and the continued threat of federal and international intrusion into the state-based system of insurance regulation - a system that has effectively protected consumers and helped create the largest, most competitive and innovative insurance market in the world.

“The dialogue between Tom, Ray and the audience was enlightening and informative” said Jennifer Cawley, TALHI Executive Director. “We greatly appreciate both of them sharing their views and engaging our participants on a variety of important topics to our members.”

NCOIL ANNOUNCES GENERAL SESSION ON AMERICAN LAW INSTITUTE'S RESTATEMENT FOR ANNUAL MEETING IN PHOENIX

Commissioner Tom Considine, NCOIL CEO announced that one of the three general sessions for the 2017 NCOIL Annual Meeting will be “A Restatement or NEWstatement? – Examining the American Law Institute’s Proposed Restatement of the Law on Liability Insurance.”

Earlier this year, NCOIL urged the ALI to delay a vote on a “Restatement” of liability insurance and engage in a dialogue with NCOIL. The restatement was delayed and this general session represents the beginning of a public discussion.

“I am proud that we have an impressive and balanced panel that we have assembled” said Commissioner Tom Considine, NCOIL CEO. “Tom, Laura, and Victor, along with NCOIL legislators will engage in a robust and interesting discussion about the merits of the proposed restatement and potential legislative encroachment.”

NCOIL 2017 ANNUAL MEETING TENTATIVE SCHEDULE

CLICK THE BELOW
ICON
TO REGISTER!!



THURSDAY NOVEMBER 16TH

Registration	7:00 a.m.	-	5:30 p.m.
<i>Exhibits Open: 8:00 a.m. – 5:30 p.m.</i>			
Welcome Breakfast	8:15 a.m.	-	10:00 a.m.
General Session	10:00 a.m.	-	12:00 p.m.
<i>A Restatement or NEWstatement? – Examining the ALI's Proposed Re-statement of the Law on Liability Insurance</i>			
Life Insurance & Financial Planning Committee	12:00 p.m.	-	1:00 p.m.
The Institutes Griffith Foundation Legislator Luncheon	1:00 p.m.	-	2:15 p.m.
Property & Casualty Insurance Committee	2:15 p.m.	-	3:45 p.m.
Networking Break	3:45 p.m.	-	4:00 p.m.
Financial Services Committee	4:00 p.m.	-	5:30 p.m.
Air Ambulance Task Force	5:30 p.m.		6:30 p.m.
Adjournment		-	6:30 p.m.
Welcome Reception	6:30 p.m.	-	7:30 p.m.

FRIDAY NOVEMBER 17TH

Registration	7:00 a.m.	-	1:30 p.m.
<i>Exhibits Open: 8:30 a.m. – 5:00 p.m.</i>			
Joint State-Federal Relations/International Issues Committee	9:15 a.m.	-	10:45 a.m.
Health General Session	10:45 a.m.	-	12:45 p.m.
<i>Long Term Care Insurance Industry – How Big of a Risk?</i>			
Luncheon with Keynote Address	12:45 p.m.	-	2:45 p.m.
Legislative Micro Meetings	2:45 p.m.	-	3:15 p.m.
NCOIL – NAIC Dialogue	3:15 p.m.	-	4:30 p.m.
Networking Break	4:30 p.m.	-	4:45 p.m.
Workers' Compensation Insurance Committee	4:45 p.m.	-	6:00 p.m.
Adjournment			6:00 p.m.
IEC Board Meeting	6:00 p.m.	-	6:30 p.m.
CIP Member & Sponsor Reception	6:30 p.m.	-	7:30 p.m.

SATURDAY NOVEMBER 18TH

Registration	8:00 a.m.	-	9:00 a.m.
<i>Exhibits Open: 8:30 a.m. – 1:00 p.m.</i>			
Health, Long Term Care and Health Retirement Issues Committee	9:00 a.m.	-	11:00 a.m.
Networking Break	11:00 a.m.	-	11:15 a.m.
Innovation General Session	11:15 a.m.	-	12:45 p.m.
<i>Cybersecurity/Equifax Breach</i>			
Articles of Organization & Bylaws Review Committee	12:45 p.m.	-	1:45 p.m.
Nominating Committee	2:00 p.m.	-	3:00 p.m.
Adjournment			3:00 p.m.

SUNDAY NOVEMBER 19TH

Registration	8:00 a.m.	-	9:00 a.m.
<i>Exhibits Open: 8:30 a.m. – 10:00 a.m.</i>			
Budget Committee	9:00 a.m.	-	9:30 a.m.
Business Planning Committee and Executive Committee	9:30 a.m.	-	11:00 a.m.
Adjournment			11:00 a.m.

DC FLY-IN Cont'd



Left to right: Rep. David Livingston, AZ; Rep. Joe Hoppe, MN; Rep. Steve Riggs, KY; Rep. Martin Carbaugh, IN; Sen. Jason Rapert, AR; Sen. Travis Holdman, IN; Asm. Maggie Carlton, NV; Rep. Bill Botzow, VT; Not pictured: Rep. David Santiago, FL.

state-based regulation of insurance.”

NCOIL Legislators met with and engaged in dialogue with House Financial Services Subcommittee on Housing and Insurance Chair Rep. Sean Duffy's designee, John Hair. Rep Duffy is the prime sponsor of H.R. 3762, which aims to preserve the state system by providing greater oversight of and transparency on international insurance standards setting processes.

In 2016, NCOIL hosted an Education Fly-In where more than a half dozen NCOIL legislators traveled to Washington DC and participated in more than 50 meetings on to educate members about the well-established state-based regu-

lation of insurance in the United States.

“NCOIL Legislators have worked to affirm that state-based insurance legislation and regulation has worked for nearly 75 years since the passage of McCarran-Ferguson Act” said NCOIL CEO and former NJ Banking and Insurance Commissioner Tom Considine. “We returned this year with 30% more state legislators, and found that Members of both houses and both political parties were receptive to our concerns and promised to work with us.”

State-based insurance regulation, which relies on individual states working together to regulate insurance company solvency and consumer protection has helped create the most competitive insurance markets in the world. In the past several years a number of federal agencies, including the Federal Reserve and the Treasury, have begun intruding into insurance regulatory issues in ways that Congress did not intend when it adopted the McCarran-Ferguson Act in 1945 and re-affirmed as recently as passage of the Dodd Frank Act.

“As we did last year, we met with Members of Congress so they are aware of how important state-based regulation is to the states for both sound policy, but also for budget implications” said AR Senator Jason Rapert, NCOIL Vice President. “NCOIL has now stressed that message two years in a row and plan to do so next year when I am President.”

RESTATEMENT FOR ANNUAL MEETING Cont'd

The impressive panel includes confirmed panelists include:

Tom Baker, Esq. who authored the ALI Proposed Restatement of the Law on Liability Insurance and is the William Maul Measey Professor of Law and Health Sciences at the University of Pennsylvania Law School. His biography can be viewed here - <https://www.law.upenn.edu/cf/faculty/thbaker/>

Laura Foggan, Esq. is a Partner at Crowell & Moring, LLP and her biography can be viewed here - <https://www.crowell.com/Professionals/Laura-Foggan>

Victor Schwartz, Esq. is the author of the leading Torts casebook in America, and the Chair of Public Policy Group at Shook, Hardy & Bacon, LLP. His biography can be viewed here - <http://www.shb.com/professionals/s/schwartz-victor>

“As legislators, we are rightfully protective of our constitutional responsibility to enact laws” said KY Rep. Steve Riggs, NCOIL President. “Organizations like the ALI help explain what legislators have passed, but we are mindful that those definitions do not stray from what we have enacted, or have considered and decided not to enact. We all look forward to this important and productive discussion.”

The 2017 NCOIL Annual Meeting runs from November 16th to November 19th and the general session will take place on November 16th at 10 a.m. PT. Registration is now open and participants can register here – www.ncoil.org/register-now