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June 13—14, 2018
Jersey City, NJ



Sen. Jason Rapert, AR
NCOIL President

NCOIL PRESIDENT APPLAUDS NATIONAL RETIREMENT PLANNING WEEK

AR Senator Jason Rapert, NCOIL President, applauded the recognition of April 9th – 13th as National Retirement Planning Week.

"Sound retirement planning is vital to the quality of life for Americans in later years and for our economy. As NCOIL President as well as a licensed Financial Advisor for 20 years, I applaud the National Retirement Planning Week and encourage all Americans to plan and save appropriately so their golden years are just that."

Rapert concluded "When it comes to retirement planning, no one ever plans to fail, but some simply fail to plan properly. Make retirement planning a priority so that the future you always envisioned for your family is possible."

More information can be found here - <https://www.retireonyourterms.org/NRPW> and facts about retirement planning can be found here - https://www.retireonyourterms.org/docs/default-source/action-center-resources/nlrltrmmtplanweek_toolkit.

NCOIL CEO PARTICIPATES IN USTIA's ANNUAL CONFERENCE

Commissioner Tom Considine, NCOIL CEO, participated in the Law and Regulations Panel at the US Travel Insurance Association's Annual Conference in Scottsdale, AZ discussing the NCOIL Travel Insurance Model Act.

"NCOIL spends a significant amount of time discussing insurance issues that could benefit from a model law" said Considine. "In this case, we listened to stakeholders and interested parties and expanded an existing NCOIL Model to provide a legislative framework to govern the travel insurance market

place in a way that benefits consumers."

The NCOIL Travel Insurance Model Act amended the NCOIL Limited Lines Travel Insurance Model Act, which was first adopted in 2012 and has been enacted in over 40 states. The amended version has been enacted in Louisiana, Maryland, and Oklahoma since its adoption by the NCOIL Executive Committee in 2017.

Also participating on the panel were Jack Zemp, Allianz Global Assistance; John P. Fielding, Steptoe & Johnson LLC; and Hugh McAdorey, Crum & Forster.



Thomas B. Considine
NCOIL CEO



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CIP MEMBERS MARK YOUR CALENDARS

2018 CIP Planning Meeting
June 13 –14, 2018
Hyatt Regency, Jersey City, NJ

Call 732-201-4133 for more information



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Sen. Travis Holdman, IN
Immediate Past President

GENERAL SESSIONS ANNOUNCED FOR 2017 SUMMER NATIONAL MEETING

Commissioner Tom Considine, NCOIL CEO has announced two of the three general sessions for the 2018 Summer National Meeting in Salt Lake City, UT.

The Property & Casualty General Session will examine all aspects of Distracted Driving and what solutions might exist for legislators to act upon.

The Health General Session will discuss innovative approaches to the Opioid Epidemic.

Both panels will hear from experts about legislative solutions to each of these problems facing residents in our country.

Yet to be announced is the Innovation General Session. The full tentative schedule will be available in May. The Summer Meeting is at the Little America Hotel in Salt Lake City from July 12th – 15th and registration is now open. Click the banner below for more information.

**NCOIL 2018 SUMMER MEETING
SALT LAKE CITY, UTAH**
CLICK HERE TO REGISTER

NCOIL WELCOMES OUR NEW 2018 CIP MEMBERS

President's Roundtable



Speaker's Roundtable



CVS Health

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Your Extended Family.



NCOIL EXECUTIVE COMMITTEE DISCUSSES LATEST DRAFT OF PROPOSED LIABILITY INSURANCE RESTATEMENT DURING INTERIM CONFERENCE CALL MEETING

NCOIL President Senator Jason Rapert (AR) hosted an interim conference call meeting of the NCOIL Executive Committee on Wednesday, May 2nd. The Committee discussed Proposed Final Draft No. 2 of the American Law Institute's (ALI) Proposed Restatement of the Law of Liability Insurance in an effort to determine what course of action, if any, should be taken prior to and after the ALI's Annual Meeting later this month (May 21-23), during which the ALI will consider a final vote on the Proposed Restatement.

Since first learning of the Proposed Restatement, NCOIL has been heavily involved due to the concern that several provisions of the Proposed Restatement go beyond established law, and either chart new territory or present a minority perspective or address matters properly within the legislative prerogative.

During the interim meeting, Committee members acknowledged that the ALI has made positive changes to the Proposed Restatement, but nevertheless voiced their concerns that the Proposed Restatement remains problematic and displayed a willingness to take action if the ALI adopts the Proposed Restatement without any further changes.

"The changes made by the ALI in the current draft of the Proposed Restatement are substantive and meaningful," said Tom Considine, NCOIL CEO. "However, there remain too many instances where the Proposed Restatement's authors have disregarded their objective of restating the law of liability insurance, and instead have chosen to take an aspirational approach by stating what they think the law should be. We will be closely monitoring the ALI's Annual Meeting later this month and will react accordingly."

"I think it is important to note that just because legislatures may not have passed laws in an area does not mean the legislatures have not considered the issue," said Arkansas Senator Jason Rapert, NCOIL President. "The decision not to pass something, such as bad-faith legislation, is an exercise of the legislative prerogative."

Participating in the discussion were Stephanie Middleton, *Deputy Director – ALI*; Laura Foggan, *Partner - Crowell & Moring, LLP*; Peter Kochenburger, *Associate Clinical Professor of Law and Executive Director of the Insurance LLM Program and Deputy Director of the Insurance Law Center - University of Connecticut School of Law*; Lorie Masters, *Partner - Hunton & Williams*; and Victor Schwartz, *Chair, Public Policy Group - Shook, Hardy & Bacon, LLP*.

Capital

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By Will Melofchik – NCOIL Legislative Director

Greetings -

Welcome to the latest installment of Capital Corner, a column that aims to update you on some of the issues that NCOIL is following. Below are issues that that we continue to monitor and will be discussed at our upcoming Summer Meeting in Salt Lake City.

NCOIL Travel Insurance Model Act Progressing in State Legislatures

In March of 2017, NCOIL amended its Limited Lines Travel Insurance Model Act (Limited Lines Model) to produce the [NCOIL Travel Insurance Model Act](#) (Travel Insurance Model). The Travel Insurance Model expands on the Limited Lines Model, which focused only on licensing related issues, to create a comprehensive, uniform framework for the state regulation of travel insurance and travel assistance services.

The Travel Insurance Model contains important provisions related to, among other things, premium taxes, form and rate filing, the competitiveness of the travel insurance market, and related sales practices (including a prohibition against requiring consumers to affirmatively opt out of the purchase of travel insurance). *Con'd on Page 4.*

Capital Corner con'd

The driving force behind the adoption of the Travel Insurance Model mirrors what had led to the adoption of the Limited Lines Model in 2012: a need for regulatory clarity and structure. Prior to the adoption of the Limited Lines Model, complicated and onerous situations were arising from the variations in licensing requirements among states regarding the selling of travel insurance. The Limited Lines Model helped alleviate those problems and has been NCOIL's most successful Model, with over 40 states having adopted it.

Similarly, the Travel Insurance Model provides a clear, regulatory framework for the travel insurance industry as a whole in response to concerns from regulators. The Travel Insurance Model and its predecessor, the Limited Lines Model, serve as a great illustration of the value that NCOIL can provide by delivering states sound insurance policy in the form of model legislation for them to use as a basis for developing their own laws.

NCOIL is pleased to see that the Travel Insurance Model has been steadily progressing in state legislatures across the country since its adoption by the NCOIL Executive Committee. On June 14, 2017, Louisiana Governor John Bel Edwards signed into law [HB 542](#), and on, April 24, 2018, Maryland Governor Larry Hogan signed into law [HB 979](#) and [SB 652](#). Additionally, [SB 1156](#) was just recently signed by Oklahoma Governor Mary Fallin this past Tuesday, May 1.

The NAIC has also undertaken efforts to draft its own Travel Insurance Model Law. While NCOIL believes that there should not be separate Model Laws from different organizations on a specific topic, the NAIC Travel Insurance Working Group appears to be largely sticking with the NCOIL Travel Insurance Model as the basis for its own Model, despite holding over 20 conference calls and in-person meetings – a promising acknowledgement that the NCOIL Travel Insurance Model is sound insurance policy for states to consider adopting.

NCOIL looks forward to seeing its Travel Insurance Model continue to be adopted by states. Interested parties are encouraged to notify the NCOIL national office with any updates regarding the Model's introduction into any other state legislatures.

Penn Treaty Insolvency Causing State Insurance Guaranty Association Systems to Restructure Assessment Base

On March 1, 2017, the Pennsylvania Commonwealth Court ordered the liquidation of affiliated long-term care insurers Penn Treaty Network America Insurance Co. (PTNA) and American Network Insurance Co. (ANIC) (collectively, Penn Treaty). Penn Treaty, which sold long term care insurance (LTCI) policies for decades, had been placed into rehabilitation in January 2009 by the Pennsylvania insurance department.

The liquidation order was yet another black eye for the long term care industry. For years, long term care insurers have been hit by higher-than-expected claims, low investment returns, and poor pricing. As a result, many companies left the business or began sharply raising premiums for existing customers.

Despite the harm that the Penn Treaty insolvency inflicted on insurers and consumers, one positive development has been the restructuring of state insurance guaranty association systems, which provide protection to insurance policyholders and beneficiaries of policies issued by an insurance company that has become insolvent and is no longer able to meet its obligations.

Traditionally, many states have classified LTCI coverage as a health insurance line even though the health insurance industry does not write the product. The result was that guaranty associations imposed assessments only on the health insurance company members when LTCI issuers failed. The Penn Treaty insolvency caused stakeholders to question the fairness of that assessment structure, which led to the NAIC Receivership Model Law Working Group evaluating the need for amendments to the [NAIC Life and Health Insurance Guaranty Association Model Act](#) (Model).

The Working Group acted quickly and on December 21, 2017, amendments to the Model were adopted by the NAIC Executive Committee and Plenary. The two main amendments to the Model serve to split future LTCI related guaranty association assessments equally between the life and health insurance industries, and include health maintenance organizations (HMOs) as "member insurers" of state guaranty associations so that they share in the assessment obligation, as they currently do in Idaho and Wyoming. *Con'd on Page 5.*

Capital Corner con'd

HMOs were, not surprisingly, opposed to their inclusion in the assessment obligation, but as members of the life insurance industry stated, ensuring a viable guaranty association system requires a broader assessment base, which requires “rough justice” on some in order to ultimately protect consumers.

State legislatures have been acting quickly to restructure their guaranty association assessment systems. As of April 20, 2018, seven (7) states have adopted the Model’s amendments, and similar legislation is pending in at least seven (7) other states. NCOIL will continue to monitor this issue and it will be a topic of discussion at the NCOIL Summer Meeting in Salt Lake City, UT.

Will

INFORMATION ABOUT REGISTRATION & HOTEL FOR 2018 SUMMER NATIONAL MEETING IN SALT LAKE CITY

Registration for the 2018 Summer National Meeting from July 12th – 15th at the Little America Hotel in Salt Lake City is now open. Please register here – (www.ncoil.org/register-now). The Early Bird discount period ends on May 21st.

As we are in the process of building the meeting schedule, we wanted to remind you that this is the final National Meeting contract not of our making.

While the Little America Hotel is the finest conference hotel in Salt Lake City and a AAA Four Diamond Property, it is not lost on us that it is not affiliated with Marriott/SPG or Hilton Rewards. We have, and are committed to, booking with hotels in either of those two programs. In 2019 all three National Meetings are at Marriott properties and the two booked thus far for 2020 are Marriott properties with the third likely either SPG or Marriott.

We note that the prior administrative staff committed NCOIL to an unusually large hotel block for this meeting so we ask that you please stay in the conference hotel, even though it is not affiliated. The legislator rate can be booked here – (hyperlink - <https://reservations.travelclick.com/4650?groupID=1501258#/guestsandrooms>) and the general attendee rate can be booked here (hyperlink - <https://reservations.travelclick.com/4650?groupID=1501257#/guestsandrooms>).

Lastly, going forward, consistent with the feedback we received in the strategic planning sessions, this will be the final Summer or Annual Meeting that includes a Sunday session .

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