

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS  
EXECUTIVE COMMITTEE  
DUCK KEY, FLORIDA  
NOVEMBER 19, 2004  
DRAFT MINUTES

The Executive Committee of the National Conference of Insurance Legislators (NCOIL) met at Hawk's Cay Resort in Duck Key, Florida, on November 19, 2004, at 5:15 p.m.

Sen. Steven Geller of Florida, NCOIL President, presided.

Other members of the Committee present were:

Rep. Terry Parke, IL  
Rep. Robert Damron, KY  
Rep. Shirley Bowler, LA  
Rep. Karen Carter, LA  
Rep. Larry Julian, MI  
Rep. Mary Ann Middaugh, MI  
Sen. Alan Sanborn, MI  
Rep. Greg Davids, MN  
Sen. Dean Kirby, MS  
Sen. Carroll Leavell, NM  
Assem. Nancy Calhoun, NY  
Rep. George Keiser, ND  
Rep. Frank Wald, ND  
Sen. Jay Hottinger, OH  
Rep. Geoff Smith, OH  
Sen. David Bates, RI  
Rep. Brian Kennedy, RI  
Sen. William Walaska, RI  
Rep. Craig Eiland, TX  
Rep. Gene Seaman, TX  
Del. Harvey Morgan, VA  
Sen. Ann Cummings, VT  
Rep. Gini Milkey, VT  
Rep. Mark Young, VT

Other legislators present were:

Rep. Susan Westrom, KY  
Rep. Fulton Sheen, MI  
Del. Harry Keith White, WV

Others present were:

Bob Mackin, NCOIL Executive Director  
Susan Nolan, NCOIL Deputy Executive Director  
Candace Thorson, NCOIL Director of Legislative Affairs and Education,  
Property-Casualty and Workers' Compensation Insurance  
Franesa Liebich, NCOIL Director of Legislative Affairs and Education,  
Health and Life Insurance

## MINUTES

Upon a motion duly made and seconded, the Committee voted unanimously to adopt the minutes of its July 16, 2004, meeting in Chicago, Illinois.

## ELECTION OF NEW EXECUTIVE COMMITTEE MEMBERS

Rep. Middaugh resigned her seat on the Executive Committee due to being term-limited.

Sen. Sanborn nominated Rep. Sheen to serve on the Executive Committee.

Sen. Geller noted that there was also a motion to nominate Del. Harry Keith White to the Executive Committee.

Rep. Bowler nominated Rep. Carter to the Executive Committee.

Sen. Cummings requested a place on the Executive Committee, per NCOIL by-laws, as she was the Chair of the Committee in Vermont responsible for insurance matters.

The Committee voted unanimously to elect the above noted legislators to the Executive Committee.

## FINANCIALS

Ms. Nolan advised members that they had received the June and September, 2004, financial statements for NCOIL and the ILF, as well as the Almanac financial statements. She characterized the statements as showing NCOIL in stable financial condition.

Upon a motion by Rep. Davids and seconded by Rep. Keiser, the Committee voted unanimously to adopt the financial statements.

## NON-CONTROVERSIAL CALENDAR

Sen. Geller acknowledged the following as being on the NCOIL non-controversial calendar:

- Life Insurance Committee:  
*Resolution Urging Congress to Enact Long-Term Care Partnership Legislation*

- State-Federal Relations Committee:  
NCOIL *Company Licensing Modernization Model Act* (readopted)

#### PROPOSED NCOIL APPROVED LIST OF REINSURERS MODEL ACT

Georgia Insurance Commissioner Oxendine highlighted four areas concerning reinsurance collateralization that the NAIC is examining. In response to a question from Sen. Geller, he urged NCOIL to postpone further consideration of its model while the NAIC continues to study this matter. He promised to keep the Committee informed of the NAIC's progress and to work with NCOIL on the issue.

Rep. Eiland asked whether there was an anticipated time frame for NAIC consideration of the issue. Commissioner Oxendine indicated difficulty in identifying a specific time frame due to substantial differences between interested parties. He further outlined the process by which this subject would be considered.

Rep. Young inquired about collateralization. Commissioner Oxendine indicated that addressing the previously mentioned criteria could yield progress in solving the collateralization issue.

#### GRIFFITH FOUNDATION 2005 SEMINAR

Philip Stichter of the Griffith Foundation for Insurance Education announced the seventh insurance committee chairs' seminar, scheduled twice in 2005. He urged members to encourage attendance in their home states and thanked NCOIL for its co-sponsorship of these seminars.

#### COMMITTEE REPORTS

##### HEALTH INSURANCE COMMITTEE

Rep. Smith, Vice Chair of the Health Insurance Committee, reported that the Committee:

- Discussed consumer-driven health insurance
- Received an update on issues related to the Medicare Modernization Act
- Received a report on state risk pools and the uninsured
- Received a report on state health insurance best practices
- Received a report by Rep. Keiser, Chair of the Property-Casualty Insurance Committee, regarding a joint medical malpractice/patient safety model act that the P-C and Health Insurance Committees would be working on in the coming year
- Had a discussion on prescription drug issues, i.e., direct-to-consumer advertising and a resolution on drug importation, which was deferred
- Considered the proposed NCOIL *Prescription Drug Price Disclosure Model Act*, which was deferred due to time constraints
- Adopted 2005 Committee charges

Upon a motion by Rep. Kennedy and seconded by Rep. Damron, the Committee voted unanimously to adopt the report of the Health Insurance Committee.

#### INTERNATIONAL INSURANCE ISSUES COMMITTEE

Rep. Young, Chair of the International Insurance Issues Committee, reported that the Committee:

- Heard a report on EU insurance issues
- Had a discussion regarding EU hazardous substance restrictions and the potential effect on liability insurance markets
- Adopted 2005 Committee charges, with the addition of a charge regarding concern over off-shore companies, e.g., domiciled in Bermuda

Upon a motion by Rep. Kennedy and seconded by Rep. Damron, the Committee voted unanimously to adopt the report of the International Insurance Issues Committee.

#### LIFE INSURANCE COMMITTEE

Rep. Davids, Chair of the Life Insurance Committee, reported that the Committee:

- Discussed viatical settlements
- Discussed long-term care issues and adopted a resolution sponsored by Sen. Leavell concerning long-term care partnership plans
- Considered a proposed long-term care partnership implementation model act, which was deferred until the next meeting in Hilton Head, South Carolina
- Had a lively discussion on investor-owned life insurance
- Discussed jurisdictional issues surrounding variable annuities and variable life insurance policies
- Adopted 2005 Committee charges

Upon a motion made by Rep. Kennedy and seconded by Rep. Damron, the Committee voted unanimously to adopt the report of the Life Insurance Committee.

#### PROPERTY-CASUALTY INSURANCE COMMITTEE

Rep. George Keiser, Chair of the Property-Casualty Insurance Committee, reported that the Committee:

- Heard a report on implementation of the NCOIL credit scoring model act
- Received an update on state activity regarding rate modernization
- Listened to views and debated a proposed model act on claims databases, which the Committee deferred until the next NCOIL meeting
- Discussed a proposed *Medical Malpractice and Patient Safety Act*, which was deferred until the next NCOIL meeting
- Adopted 2005 Committee charges

Upon a motion made by Rep. Kennedy and seconded by Rep. Damron, the Committee voted unanimously to adopt the report of the Property-Casualty Insurance Committee.

#### STATE-FEDERAL RELATIONS COMMITTEE

Sen. Steven Geller (FL), NCOIL President, delivered the Committee's report. He said that the Committee:

- Heard a report on the September 22 Congressional hearing on the SMART Act
- Discussed the SMART Act
- Received an update on implementation of the NCOIL Interstate Insurance Product Compact
- Received a report from the Financial Services Subcommittee
- Received an update and discussed the joint NCOIL-NAIC *Market Conduct Surveillance Model Law*
- Discussed measures to address the broker contingency fee issue
- Adopted a resolution, sponsored by Rep. Keenan, which was referred to the Executive Committee concerning the powers of the Comptroller of the Currency. Sen. Geller recommended that the Executive Committee defer consideration at this time

Rep. Young moved to postpone consideration of the resolution in the Executive Committee until the spring meeting.

Rep. Wald opposed the motion to postpone. The Committee voted to defeat Rep. Young's motion.

Rep. Wald moved to adopt the resolution. The Committee voted in favor of this resolution.

Upon a motion by Rep. Sanborn and seconded by Rep. Kennedy, the Committee voted unanimously to adopt the report of the State-Federal Relations Committee.

#### WORKERS' COMPENSATION INSURANCE COMMITTEE

Sen. Carroll Leavell (NM), Chair of the Workers' Compensation Insurance Committee, reported that the Committee:

- Received a report on the Florida workers' compensation insurance system
- Received a general update on workers' compensation markets
- Discussed a proposed resolution regarding ergonomic guidelines for nursing homes, which was deferred until the NCOIL Spring Meeting OSHA
- Received a report on 2004 workers' compensation insurance legislation
- Received an update on fraud issues and legislation

Upon a motion made by Rep. Kennedy and seconded by Rep. Sanborn, the Committee voted unanimously to adopt the report of the Workers' Compensation Insurance Committee.

#### BUSINESS PLANNING COMMITTEE

Sen. Geller, Committee chair, reported that the Committee:

- Discussed potential future meeting sites, including Miami/Ft. Lauderdale, New Orleans, Philadelphia, and Napa Valley
- Discussed membership, dues and registration fee matters
- Discussed the NCOIL web site and its use by NCOIL members and meeting attendees
- Reviewed and made permanent the NCOIL consumer participant program

Upon a motion made and duly seconded, the Committee voted unanimously to adopt the report of the Business Planning Committee.

#### SUBCOMMITTEE ON NATURAL DISASTER INSURANCE LEGISLATION

Rep. Eiland, chair of the Subcommittee, reported that the Subcommittee:

- Received a report from Florida Insurance Commissioner Kevin McCarty on insurance issues relating to the 2004 hurricane season
- Received an update on the current status of federal natural disaster legislation
- Discussed proposed natural disaster insurance options

Upon a motion made and duly seconded, the Committee voted unanimously to adopt the report of the Subcommittee on Natural Disaster Insurance Legislation.

#### TASK FORCE ON TERRORISM

Assemblywoman Nancy Calhoun (NY) delivered the report of the Terrorism Task Force. She indicated the Task Force:

- Discussed reauthorization of the Terrorism Risk Insurance Act (TRIA)
- Discussed and sought further input on the implications of life insurance being included in TRIA
- Adopted the Task Force's 2005 charges

Upon a motion made and duly seconded, the Committee voted unanimously to adopt the report of the Task Force on Terrorism.

#### REVIEW OF MODEL LAWS PER BY-LAWS

Upon a motion by Rep. Keiser and seconded by Rep. Kennedy, the Committee voted unanimously to readopt the NCOIL *Insurance Fraud Model Act*.

There being no motion, the Committee did not readopt the NCOIL *Financial Information Privacy Protection Model Act*.

#### ADJOURNMENT

There being no further business, the meeting was adjourned at 6:40 p.m.