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NCOIL ANNOUNCES CREATION OF SPECIAL COMMITTEE ON RACE IN INSURANCE UNDERWRITING

Committee to be Chaired by NY Senator Neil Breslin – former NCOIL President; Will Focus on Defining “Proxy Discrimination” and Discussing Use of Certain Rating Factors

Manasquan, NJ – Indiana Representative Matt Lehman, NCOIL President, announced the creation of an NCOIL Special Committee on Race in Insurance Underwriting today during the 2020 NCOIL “Summer” Meeting in Alexandria, Virginia. New York Senator Neil Breslin, former NCOIL President, will Chair the Committee.

Rep. Lehman said, “After careful deliberations with my fellow officers, we all determined that NCOIL needs to take a more active role in framing the discussions around race and insurance underwriting that can have a huge impact on both policyholders and the insurance industry as a whole. I am pleased to say that each of my fellow officers has agreed to serve on the Committee. By no means have we sat idly by on the sidelines as society has confronted these issues, but we all agreed that as an organization comprised of state insurance legislators who are charged with developing and making law, NCOIL’s voice needs to be heard.”

Senator Breslin stated, “I am honored to Chair this Committee. The insurance industry has been among those industries that has taken steps to review and, in some instances, change, certain established ways of doing business in an effort to address systemic bias and racism. The thoughts and views of state insurance legislators are extremely valuable as these important decisions occur which is why forming this Committee is so vital.

“The Committee will study race-related issues in insurance underwriting and work to maintain the proper constitutional jurisdiction of State legislatures over the significant public policy issues related to regulating the business of insurance,” continued Breslin. “We want to make sure that any decisions made on such issues are made with input by state insurance legislators – those with the proper authority to make such decision as set forth in the McCarran-Ferguson Act seventy-five years ago.”

“I commend Senator Breslin for his leadership in Chairing the Committee,” said Rep. Lehman. “Neil is someone who is greatly respected not only at NCOIL, but by the constituents he serves



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and the insurance industry. As Chair of the Senate Insurance Committee in one of the most diverse states in our country, he is certainly the right man for the job.”

The Committee will hold hearings at the NCOIL Annual Meeting in Tampa, Florida – still scheduled for December 9-12. The Committee is tentatively charged with: taking testimony, discussing, and defining the term “proxy discrimination” – an undefined term that has been used by many when discussing insurance rating, and has even been included in regulatory-related documents; and discussing the wisdom of certain rating factors being used in insurance underwriting, such as zip code, and level of education.

“I look forward to hearing from experts on these important issues,” said Rep. Lehman. “We’re going to make sure that the hearings are guided by actuarial and data-driven presentations, not by opinion testimony from non-experts.”

NCOIL CEO, Commissioner Tom Considine said, “Representative Lehman, his fellow officers, and Senator Breslin, have really shown tremendous leadership in forming this Committee and asserting NCOIL in the important conversations that have been taking place around race in insurance underwriting. Forming this Committee shows commitment to reviewing the insurance legislative and regulatory system in order to determine whether current practices exist in our system that disadvantage minorities because of their status, while recognizing that changes to the system, including determinations regarding rating variables, must ultimately be made in a legislative forum.”

“The United States’ state-based regulatory system has effectively protected consumers and helped create the largest, most competitive and innovative insurance market in the world. As both a former state insurance commissioner and now as CEO of NCOIL, I know firsthand from two perspectives that now is certainly not the time for Congress to wade into insurance underwriting. Our state-based system is a model to be held up and supported by the federal government. NCOIL will continue to be vigilant in guarding against any efforts to encroach upon said system,” concluded Considine.

Any legislator who has been active in NCOIL is eligible to join the Committee. Legislators interested in joining the Committee can reach out to president@ncoil.org.

More information on the Committee’s hearings will be posted on www.ncoil.org when announced.

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NCOIL is a national legislative organization with the nation’s 50 states as members, represented principally by legislators serving on their states’ insurance and financial institutions committees. NCOIL writes Model Laws in insurance and financial services, works to preserve the State jurisdiction over insurance as established by the McCarran-Ferguson Act seventy-five years ago, and to serve as an educational forum for public policymakers and interested parties. Founded in 1969, NCOIL works to assert the prerogative of legislators in making State policy when it comes to insurance and educate State legislators on current and longstanding insurance issues.