NCOIL Adopts Workers' Compensation Drug Formulary Model Act

January 30, 2020

During the 2019 Annual Meeting in Austin, Texas, the organization adopted the NCOIL Workers’ Compensation Drug Formulary Model Act sponsored by Indiana Representative Matt Lehman, 2020 NCOIL President. The initial discussion draft of the Model was based on Indiana SB 369, which Rep. Lehman sponsored and was signed into law in March 2018.

Shaping Public Policy in Difficult Times Summer 2020

State Representative Matt Lehman (IN) was elected by the nominating committee and assumed the NCOIL presidency at the conclusion of the 2019 Annual National Meeting in Austin, Texas.

“I plan on spending time as NCOIL President focusing on the overall growth of the organization by getting new legislators involved. During times like these, the value of being involved in NCOIL dialogues is tremendously strong. Opportunities to be involved in a national forum to help educate legislators from different states with similar goals by having conversations on how to improve the quality of public policy are more important than ever before,” stated Lehman.

Since the outbreak of COVID-19, NCOIL has been recognized as a leader in the debate surrounding the difficult decisions that must be made when shaping public policy during this time of crisis.

State Insurance Law Makers Approve a Business Transfer Model

April 6, 2020

NCOIL’s new model could help insurers pass on or take on blocks of insurance business in a way that moves legal responsibility for the block from one company to another. The model describes the insurers, responsibilities and various types of safeguards, such as insurance commissioner review to verify that a transaction appears to protect the interests of the policyholders, and steps to preserve any guaranty fund protection a policyholder might have.

The BI Challenge

July 2020

It is important to note that both the National Association of Insurance Commissioners and the National Council of Insurance Legislators, as well as individual commissioners and departments of insurance, have weighed in and urged the rejection of legislative attempts to abrogate insurance contracts. NCOIL has stated that such efforts would “compound the damage to the broader economy by forcing insurers to pay claims for which they did not contract.”

Kudos to the NAIC and NCOIL for providing clear and well-reasoned guidance to policymakers. This crisis demands leadership and those in public policy positions who best understand the insurance industry are providing it.

NCOIL Business Transfer Model Could Apply to Life, Health and Annuity Business

December 2, 2019

Members of the National Council of Insurance Legislators (NCOIL) are planning to discuss an Insurance Business Transfer Model Act draft on Dec. 12 in Austin, Texas, at NCOIL’s annual meeting.

The new business transfer model draft would let one insurer pass a block on to another insurer, after an independent expert assessed the possible effects of the deal, the insurer’s state insurance regulator approved the deal, and a court approved the deal. The NCOIL draft sponsors are New York Assemblyman Andrew Garbarino and Oklahoma State Rep Lewis Moore.

Evaluation How Legislation Responds to Business Interruption

May 15, 2020

During a recent webinar sponsored by the National Council of Insurance Legislators (NCOIL) and the Rutgers Center for Risk and Responsibility, Adam Scales, a law professor at Rutgers Law School and co-director of the Rutgers Center for Risk and Responsibility, explained how other features of the proposed bills could impact insurers and insureds.

At the federal level, the Business Interruption Insurance Coverage Act of 2020, which was introduced by House Rep. Mike Thompson (D-Calif.), would ensure businesses that purchase interruption insurance won’t get their claims denied because of significant events, such as the coronavirus pandemic. This legislation differs from state-level bills by offering more modest terms to insurers, said Scales, and would require insurers to provide the option of pandemic coverage in property policies moving forward.

The primary issue regarding proposed business interruption legislation is the concept of retroactivity. “At the state level, the various types of legislation would appear to attach different legal consequences to the content of insurance policies that are in existence right as oppose to future policies. Some have suggested that this would make things rife for a contract clause challenge as the federal constitution and a number of state constitutions forbid the impairment of contracts,” said Scales.

Advocates Push Model Law for Private Flood

October 28, 2019

Tom Considine, executive director of the National Council of Insurance Legislators, said he expects an amended version of the model flood insurance act to be considered during the organization’s annual meeting in Austin Dec. 10-13. Considine said most states do not allow private flood insurance to be sold as an admitted product, meaning consumers aren’t protected by state regulations governing details such as policy forms, rate approvals, and claims handling. He said a model law would provide a “regulatory framework” that might make the private flood market more attractive to reinsurers, making it easier for carriers to take on flood risks.