

NATIONAL COUNCIL OF INSURANCE LEGISLATORS
BUSINESS PLANNING COMMITTEE AND EXECUTIVE COMMITTEE
NCOIL ANNUAL MEETING – TAMPA, FL
DECEMBER 12, 2020
DRAFT MINUTES

The National Council of Insurance Legislators (NCOIL) Business Planning Committee and Executive Committee met at the Tampa Marriot Water Street Hotel on Saturday, December 12, 2020 at 12:30 p.m. (EST)

NCOIL President, Rep. Matt Lehman, IN, Chair of the Committees presided.

Other members of the Committees present (* indicates virtual attendance via Zoom)

Asm. Ken Cooley (CA)*
Sen. Matt Lesser (CT)*
Rep. Martin Carbaugh (IN)
Sen. Travis Holdman (IN)
Rep. Edmond Jordan (LA)*
Rep. Michael Webber (MI)

Sen. Paul Utke (MN)
Rep. George Keiser (ND)
Sen. Neil Breslin (NY)*
Asm. Kevin Cahill (NY)*
Sen. Jim Seward (NY)*
Sen. Bob Hackett (OH)*

Other Legislators Present were:

Sen. Mike Gaskill (IN)
Rep. Peggy Mayfield (IN)*
Rep. Jim Gooch (KY)*
Rep. Kevin Coleman (MI)
Sen. Shawn Vedaa (ND)

Also in attendance were:

Commissioner Tom Considine, NCOIL CEO
Will Melofchik, General Counsel, NCOIL
Tess Badenhausen, Assistant Director of Administration, NCOIL Support Services

QUORUM

Upon a motion made by Rep. Martin Carbaugh (IN) and seconded by Asm. Kevin Cahill (NY), NCOIL Treasurer, the Committee waived the quorum requirement without objection by way of a voice vote.

MINUTES

Upon a motion made by Rep. Carbaugh and seconded by Sen. Neil Breslin (NY), the Committee voted without objection by way of a voice vote to approve the minutes of the September 26th, 2020 Committee Meeting minutes.

RESOLUTION RECOGNIZING NCOIL PAST PRESIDENT SENATOR JAMES L. SEWARD (NY) AS AN HONORARY MEMBER OF NCOIL

Before getting to the other Committee business, Rep. Lehman stated that he would like to offer a Resolution Recognizing NCOIL Past President Senator James L. Seward (NY) as an Honorary Member of NCOIL (Resolution) sponsored by himself, Sen. Jason Rapert (AR), NCOIL Immediate Past President, Asm. Ken Cooley (CA), NCOIL Vice President, Sen. Travis Holdman (IN), NCOIL Immediate Past President, Rep. Joe Fischer (KY), NCOIL Secretary, Sen. Neil Breslin (NY), former NCOIL President, and Asm. Kevin Cahill (NY), NCOIL Treasurer. Rep. Lehman remarked how when he attended his first NCOIL meeting, Sen. Seward was NCOIL President and Rep. Lehman was very impressed by how thoughtful and issue-driven Sen. Seward was. Sen. Seward is a true gentleman and is very deserving of the Resolution. Rep. Lehman then read aloud the Resolution.

Sen. Seward stated that is truly honored by the Resolution and gave remarks expressing his appreciation. Sen. Seward noted that he first got involved with NCOIL in 1999 when he was named Chair of the NY Senate Insurance Committee. Sen. Seward further noted that he is very honored to have served as NCOIL President in 2009 which was a tough year in many respects because of the financial crisis. Even during those difficult times, it was important to continue NCOIL's work in protecting the state-based system of insurance regulation. Sen. Seward noted that NCOIL is a very important organization to adopt Model laws that support the state-based system of insurance regulation, to educate legislators on insurance issues, and to interact at NCOIL national meetings with colleagues from across the country. The real hallmark of NCOIL has always been that when an issue is brought up, all sides of the issue are invited to present their views which is invaluable to producing a good work product. Also, NCOIL is a non-partisan organization and oftentimes you don't know who is a Republican or Democrat and that is how it should be. Sen. Seward closed by noting that he looks forward to attending future NCOIL meetings as an Honorary Member and stated that NY will continue to be well represented at NCOIL with Sen. Breslin, Asm. Cahill, Asm. Pam Hunter, Asm. Will Barclay, and others being involved. Sen. Seward again expressed his deep appreciation of the action taken today and the great association with NCOIL over the years.

Asm. Cahill remarked that it has been a pleasure serving with Sen. Seward over the years and thanked him for his years of service. Asm. Cahill stated that Sen. Seward is a true gentleman and he has learned so much from him over the years. NCOIL is a better organization as a result of Sen. Seward's service.

Sen. Breslin echoed Sen. Seward's comments on how a hallmark of NCOIL is its bipartisan nature. Sen. Breslin noted that while he is a Democrat and Sen. Seward is a Republican, they have found so much common ground on insurance issues throughout the years and they have learned so much from each other. Sen. Breslin noted that he has learned a lot from Sen. Seward not only on insurance issues but as to how to conduct yourself. Sen. Seward is

everything that a legislator and elected official should be as he is so knowledgeable on so many issues and is able to get along with colleagues on the other side of the aisle.

Upon a Motion made by Sen. Breslin and seconded by Rep. Carbaugh, the Committee voted without objection to adopt the Resolution by way of a voice vote.

FUTURE MEETING LOCATIONS

The Hon. Tom Considine, NCOIL CEO, stated that the 2021 Spring Meeting as it currently stands is scheduled for March in Washington, DC, but it is important to be aware that Washington DC has a meeting limit of 25. As the vaccine rolls out, NCOIL staff will be in contact with the meeting hotel to see if meeting limits are increased. If Washington DC does not increase meeting size, we will need to look at other alternative meeting locations. Legislators in MD were made aware that if they pay their dues, NCOIL will consider holding its Spring Meeting in Annapolis or the Inner Harbor. New Mexico is another option for the Spring Meeting, although Santa Fe may be difficult to get to during March when people are in session.

For the remainder of the 2021 meetings, the Summer Meeting is in July at the Westin Boston Waterfront, and the November Annual Meeting is in Scottsdale, AZ. Additionally, the 2023 Spring Meeting is scheduled to be in San Diego, CA and the hotel search has been narrowed to the Westin Gaslamp Quarter.

ADMINISTRATION

Cmsr Considine noted that there were 246 attendees and participants at the Annual Meeting: 60 in-person and 186 virtual. There were 37 legislators from 21 different states: 14 in-person, 23 virtual. There were two first time legislators and Commissioners from four states participated, one in-person, three virtual.

Cmsr. Considine gave the 2020 unaudited financial report through November 30, 2020, showing a revenue of \$1,227,991.73 and expenses of \$912,385.23 for an excess of \$315,626.50 heading into this meeting. Cmsr. Considine did remark that we may take a little hit on this meeting.

Upon a Motion made by Rep. Carbaugh and Seconded by Asm. Cooley, the Committee voted without objection by way of a voice vote to adopt the administration report.

CONSENT CALENDAR

Rep. Lehman noted that the consent calendar includes committee reports including resolutions and model laws adopted and re-adopted therein, as well as ratification of decisions made and actions taken by the NCOIL Officers in the time between Executive Committee meetings.

The consent calendar included:

The Joint State-Federal Relations and International Insurance Issues Committee re-adopted the NCOIL Market Conduct Annual Statement Model Act.

The Health Insurance & Long Term Care Issues Committee adopted the NCOIL Transparency in Dental Benefits Contracting Model Act.

The 2021 budget as adopted by the Budget Committee on 9/9/20.

The Budget Committee meeting minutes of 9/9/20.

The Special Committee on Natural Disaster Recovery meeting minutes of 9/24/20.

Rep. Lehman asked if any Committee member wanted anything removed from the consent calendar. Hearing no such requests, upon a Motion made by Asm. Cooley and seconded by Rep. Carbaugh the Committee voted to adopt the consent calendar without objection by way of a voice vote.

OTHER SESSIONS

Rep. Lehman began by thanking Congresswoman Carolyn Maloney for Zooming in to discuss the Pandemic Risk Insurance Act (PRIA) and other federal developments surrounding pandemic business interruption insurance coverage issues.

Rep. Lehman also thanked Dr. Lawrence Powell who, during the legislator luncheon, delivered a presentation titled "Examining the Insurability of a Pandemic." Dr. Powell was also a panelist during the meeting of the Special Committee on Race in Insurance Underwriting.

There were three interesting and timely General Sessions – "Bitcoin and Beyond- What is This Stuff And How Do We Insure It?"; "What Next for Federal Healthcare? A New Presidency – SCOTUS Decision Looming"; and "Medical Cannabis: Evaluating the Evidence."

On Wednesday, the Special Committee on Race in Insurance Underwriting met for the first time. Rep. Lehman thanked Sen. Breslin for Chairing the Committee along with everyone who participated.

NOMINATING COMMITTEE REPORT

Sen. Travis Holdman (IN), NCOIL Immediate Past President and Co-Chair of the NCOIL Nominating Committee, remarked that there has been a lot of discussion on filling the Nominating Committee slate for 2021. The consensus of the group was to nominate all of the current Officers to return for another term in 2021, due to the nature of business activity and activity of the state legislatures throughout 2020 it seemed appropriate and not inappropriate to ask the current Officers to serve one more term. Sen. Holdman noted that this model has been adopted by other national organizations and the Nominating Committee feels that it is an appropriate action to take. Sen. Holdman noted that he discussed this again this week with Nominating Co-Chair Sen. Jason Rapert (AR) and he still agrees with the recommendation but unfortunately, he had to leave this meeting early to return home.

Sen. Holdman then moved to adopt the Nominating Committee report which is that all of the current Officers be retained for 2021. Asm. Ken Cooley seconded the motion. Sen. Breslin remarked that it is a great idea. 2020 has been an abbreviated year and current Officers are

competent who have not really gone through the full year. 2021 will be another difficult year and Sen. Breslin stated that he trusts the current Officers do again do a phenomenal job pulling NCOIL through the pandemic.

Asm. Cahill stated that he is not in support of the motion. Asm. Cahill stated that he respects the individuals involved for their work this past year during what has been an unprecedented one for NCOIL. However, although nothing in NCOIL's bylaws specify that the leadership of the organization change parties every year, it has been the longstanding tradition of NCOIL to do so. But, for the past three years, there have been leaders from the same party and as noted earlier, while it is indeed difficult to identify which political party NCOIL members belong to, it does have a subtle impact and it affects the ability to attract members of the public and state legislators to attend and participate at NCOIL meetings. It is also important to note that other legislative organizations have developed reputations as being representative of something other than the 50 states so it is important that NCOIL upholds its bipartisan reputation.

Asm. Cahill stated that he also believes that there is no impediment to advancing the Officers as is usually done. While 2020 was different in many respects, NCOIL was able to hold all of its meetings and conducted business effectively by adopting model legislation and holding educational sessions. Asm. Cahill stated that he does recognize that leadership is balanced but as we all know the tenor and tone of meetings are embodied in the President of the organization and while the motion was supported during the Nominating Committee's previous meeting by the person who was scheduled to serve as NCOIL President in 2021, Asm. Cooley, Asm. Cahill stated that he disagrees with the current plan.

Lastly, Asm. Cahill stated that he does not believe the Nominating Committee is properly empaneled. Asm. Cahill stated that he believes there are standing rules that would prohibit any nominees from participating, yet nominees did participate. All officers were also not invited to the Nominating Committee's meeting. Asm. Cahill stated that he does not believe he would have been persuasive during that meeting but he would have liked to have had an opportunity to raise his concerns, but he was denied that opportunity.

Asm. Cahill stated that he wanted to reiterate that his remarks in no way reflect on Rep. Lehman's leadership which he values greatly.

Hearing no further discussion, the Committee voted to adopt the Nominating Committee report by way of a voice vote. Asm. Cahill and Rep. George Keiser (ND) were the only Committee members to vote against the Motion.

Rep. Lehman thanked his fellow Officers for all of their work this year and said that he looks forward to the future. This year has not been easy for anyone and the organization certainly looks forward to having robust in-person discussions. The future is bright as NCOIL is focused on good insurance public policy and addressing timely issues like the Special Committee on Race in Insurance Underwriting and limited immunity for businesses from COVID-related lawsuits. Rep. Lehman stated that he looks forward to a great 2021 and closed by thanking the NCOIL staff for all of their work.

OTHER BUSINESS

Cmsr. Considine asked the Committee to continue utilizing the services of Collins & Co for 2020 audits. They are a small firm and non-profits are their specialty. They were initially retained

because of their work with guaranty associations and insurance associations. As a small firm, they can't really rotate audit partners, but they do rotate the staff that works on the audit.

Upon a Motion made by Rep. Carbaugh and seconded by Asm. Cooley the Committee voted to retain the services of Collins & Co. for 2020 audits without objection by way of a voice vote.

Pursuant to NCOIL bylaws, as Chair of the Committee responsible for insurance regulation from NCOIL Contributing States, Rep. Lehman welcomed, WV Delegate Steve Westfall and IN Sen. Andy Zay as NCOIL Executive Committee members.

Rep. Lehman then introduced Frank O'Brien, VP of State Gov't Relations at the American Property Casualty Insurance Association (APCIA), to offer suggested topics from the IEC for discussion at upcoming NCOIL meetings. On behalf of the IEC, Mr. O'Brien first congratulated Sen. Seward on being recognized as NCOIL Honorary Member.

Mr. O'Brien then noted that the IEC has one topic to present to NCOIL for consideration as it prepared the agenda for the next meeting. The topic submitted from State Farm and the National Association of Mutual Insurance Companies (NAMIC) relates to some regulations that can slow down claims processing in the wake of a natural disaster. In such situations, both carriers and their policy holders both have the same interest - they want to get claims paid quickly and fairly. The IEC would like to explore with NCOIL some ways to increase efficiency of this process, particularly for smaller claims, while at the same time protecting consumers. This is something that is right in NCOIL's wheelhouse and it is worth pointing to the actions NCOIL has taken recently with the Model Act Concerning Statutory Thresholds for Settlements Involving Minors which balanced flexibility with consumer protection.

ADJOURNMENT

There being no further business, upon a motion made by Rep. Carbaugh and seconded by Asm. Cahill, the Committee adjourned at 1:15 p.m.