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NCOIL CONCLUDES SUCCESSFUL HYBRID 2021 SPRING MEETING IN CHARLESTON, SC

Third Meeting of NCOIL Special Committee on Race in Insurance Underwriting; Two New Model Laws Adopted; South Carolina Lt. Gov. Pamela Evette Delivered Keynote Address

Manasquan, NJ – The National Council of Insurance Legislators (NCOIL) concluded a successful hybrid 2021 Spring Meeting (Meeting) in Charleston, SC from April 15th – 18th at the Francis Marion Hotel. There were 281 participants for the Spring Meeting – 146 in person and 135 virtual consisting of 51 legislators from 23 states, 12 first time legislators, 8 Insurance Commissioners (or equivalent), and 14 insurance departments represented. The seven policy Committees all met, as well as the third meeting of the Special Committee on Race in Insurance Underwriting.

NCOIL President, Indiana Rep. Matt Lehman said, “Seeing the attendance in Charleston last week, I am convinced that we made the right decision in delaying the meeting to allow the vaccine to become more widely administered. The hybrid meeting format continued to work well, and we will most likely utilize that format again for the Summer meeting.”

NCOIL CEO, Commissioner Tom Considine said, “I am overwhelmed by the total turnout at this meeting. Even amid a global pandemic, meeting attendance is high, especially in-person legislator attendance. We surpassed the legislator and general attendance numbers from all three of last year’s meetings which is a great sign that people are getting more comfortable traveling as vaccine distribution continues and travel restrictions are lifted.” Considine continued, “As an organization principally represented by legislators, we are always looking to get more legislators involved, so we are very pleased to know that there were 12 first-time legislators at the Meeting. This Meeting was again extremely productive terms of developing sound insurance public policy that legislators can take back to their states for review and introduction.”

The Meeting began with the third meeting of the Special Committee on Race in Insurance Underwriting, Chaired by New York Senator Neil Breslin.

Senator Breslin said, “The Committee continues to have important discussions on the issues that must be addressed during these unprecedented times. We again heard from speakers with various

views on topics and issues related to race and insurance underwriting. Having met its first charge of defining the term “proxy discrimination,” we will continue to work on our second charge of discussing rating factors and disparate impact. I am honored to Chair this Committee and to know that our organization is passionate about eliminating any unfair discrimination that exists in the industry.”

Participants at the Welcome Breakfast were greeted by SC Insurance Director and NAIC Immediate Past President, Ray Farmer, who was presented with the Regulatory Leadership Award for all his great work throughout the years. NCOIL President Lehman stated “there is no one more deserving of this award than Ray Farmer. He has done a tremendous job leading the NAIC in unprecedented times and has set a new high water mark for regulator-legislator cooperation.”

South Carolina Lieutenant Governor Pamela Evette, delivered Friday’s Keynote Address. Lieutenant Governor Evette spoke on her experience as President and CEO of Quality Business Solutions, and the impact she was able to make on small and medium sized businesses. She also spoke about her work with South Carolina Governor Henry McMaster, and the approach they took when dealing with the pandemic. South Carolina was the last state east of the Mississippi to shut down and the first to open back up, trying to limit the impact on businesses in South Carolina. Lieutenant Governor Evette is proud of is the Governor’s development of the Accelerated SC Task Force. This talk force brought together legislative body, local government, businesses, trade associations, higher ed, and K-12 to talk about the best way to reopen the state and how everyone can work together to make sure that a prosperous South Carolina comes out of the pandemic.

There were two interesting and timely general sessions: “The Future of the Long Term Care Industry in Light of COVID-19” and “Mandatory Police Liability Insurance and its Impact on Safety.”

The Joint State-Federal Relations & International Insurance Issues Committee met to discuss the new federal balance billing Law, the “No Surprises Act”, where it heard from Chris Gammon, PhD, Senior Consultant at Compass Lexecon, and Assistant Professor of Health Administration at the University of Missouri. The Committee also heard from Matt Brewis, Director of General Insurance and Conduct Specialists at Financial Conduct Authority (FCA) on the UK Supreme Court’s Decision dealing with the FCA’s pandemic business interruption coverage test case, and from Professor Elizabeth McCluskey from the University of Massachusetts School of Law on ERISA- preemption in light of the U.S. Supreme Court’s decision in Rutledge v. PCMA.

Robert P. Hartwig, PhD, Clinical Associate Professor & Director, Risk and Uncertainty Management Center at University of South Carolina delivered a presentation during the legislator luncheon titled “COVID-19 – One Year Later.”

The NCOIL – NAIC Dialogue included an impressive lineup of NAIC representatives: Arkansas Commissioner Alan McClain, Florida Insurance Commissioner and NAIC President David Altmaier, Illinois Acting Director Dana Popish Severinghaus, Mississippi Commissioner Mike Chaney, Montana Commissioner Troy Downing, New York Executive Deputy Superintendent My Chi To, Oklahoma Commissioner Glen Mulready, and Director Farmer. The Dialogue continued discussion on the NAIC’s Special Committee on Race in Insurance, and an update on the status of

state adoption of the NAIC's amended credit for reinsurance model law and regulation. The session also included a discussion on the New York DFS Circular Letter No. 5 (2021 Re: Diversity and Corporate Governance), the NAIC's meeting process, and a continued discussion of proposed changes to SSAP No. 71. NCOIL Vice President Ken Cooley (Asm.-CA), Chairman of the Dialogue, stated, "we appreciate the quality and depth of these discussions with our regulatory colleagues, and this Meeting represented a new high in terms of commissioner-level participation."

The Life Insurance and Financial Planning Committee heard from Monique Morrissey, an Economist at the Economic Policy Institute, on retirement security initiatives in the Biden Administration, and from Martin Spit, Insurance Strategy & Transactions Leader at Ernst & Young, on megatrends that are defining the next wave of life insurance and retirement.

The Committee also adopted a "Resolution in Support of the Living Donor Protection Act"-sponsored by NV Asw. Maggie Carlton, Chair of the Committee, and PA Rep. Wendi Thomas, Vice Chair of the Committee, and supported by both the American Kidney Fund and the American Council of Life Insurers.

Rep. Thomas said, "I am particularly proud to sponsor this Resolution as it deals with a very important topic that is also quite personal to me. I have one friend who donated a kidney and another who received one. This Resolution strikes a good balance between the needs of living organ donors to protect their families' financial futures and the need for life insurers to underwrite fairly."

The Workers' Compensation Insurance Committee heard from South Carolina Workers' Compensation Executive Director Gary Cannon who discussed the South Carolina workers' compensation marketplace and its responses to COVID-19. Mark Bertler, Executive Director of the California Staffing Agency Reform Association (CAL-SARA) and Pollie Pent, CAL-SARA Membership Chair and former California Dept. of Insurance Detective, briefed the Committee on CAL-SARA's recent formation and goals, and John Fuser, President & CEO of the Workers' Compensation Research Institute (WCRI) delivered a presentation titled "The Early Impact of COVID-19 on Workers' Compensation Claim Composition."

The Financial Services & Multi-Lines Issues Committee amended and adopted the NCOIL Insurer Division Model Act, sponsored by CT Sen Matt Lesser. NCOIL Vice President Ken Cooley (Asm – CA) sponsored a substitute amendment that the Committee passed, and joined as sponsor. The Committee also discussed the development of an NCOIL Remote Notarization Model Act, and the captive insurance legislative landscape which included introduction of language for a potential NCOIL Captive Insurer Model Act.

CA Asm. Ken Cooley stated, "This Insurer Division Model seeks to address the significant limitations in the current methods available to insurers to transfer or assume blocks of insurance business in an efficient and cost-effective manner that provides needed legal finality. Now that NCOIL has adopted both an Insurance Business Transfer (IBT) Model Act, and an Insurer Division Model – similar but distinct restructuring mechanisms – NCOIL can truly be looked at as

a leader in providing states guidance on insurance restructuring issues. We worked hard on this Model and I am confident that states will introduce it during future legislative sessions.”

The Health Insurance & Long-Term Care Issues Committee continued discussion on the NCOIL Telemedicine Authorization and Reimbursement Model Act, sponsored by Health Committee Chair New York Assemblywoman Pam Hunter, and the NCOIL Model Act Regarding Air Ambulance Patient Protections, sponsored by Texas Representative Tom Oliverson, M.D., and West Virginia Delegate Steve Westfall. The Committee also discussed “Accumulator Adjustment Program State Model Language” developed by the All Copays Count Coalition which garnered significant interest from the Committee.

Asw. Pamela Hunter stated: “The Models discussed during the Committee deal with important and timely issues and, if adopted, have the potential to make a large impact in states. I am always pleased to see how much our members care about health insurance related issues, and look forward to continuing these discussions in Boston this Summer. We have done a good job to not rush through these discussions as it’s important that we ensure all voices and perspectives are heard on these issues.”

The Property & Casualty Insurance Committee was the last policy committee to meet and was very productive. The NCOIL Distracted Driving Model Act, sponsored by CA Asm. Ken Cooley and OH Sen. Bob Hackett, was adopted, as were amendments to the NCOIL Post Assessment Property and Liability Insurance Guaranty Association Model Act, sponsored by Asm. Cooley, and amendments to the NCOIL Peer to Peer Car Sharing Program Model Act, sponsored by P&C Committee Chair KY Rep. Bart Rowland. The NCOIL Fairness for Responsible Drivers Model Act, sponsored by ND Sen. Shawn Veda, was also introduced and discussed, and the Committee heard a presentation from Marsh & McLennan titled “Community Based Catastrophe Insurance: A Model for Closing the Disaster Protection Gap.”

Sen. Hackett stated “The process leading to the adoption of the Distracted Driving Model was NCOIL Model Law development at its finest. The Committee took its time, heard differing perspectives on the issues, while maintaining a respectful exchange of ideas. Thank you to everyone who was involved.”

The Meeting concluded with the Executive Committee Meeting, during which amendments to the NCOIL P&C Insurance Modernization Model Act defining the term “proxy discrimination”, previously adopted by the Special Committee on Race in Insurance Underwriting, and the NCOIL COVID-19 Limited Immunity Model Act, previously adopted by the P&C Committee, were adopted. The Executive Committee also welcomed two new members: Arkansas Senator Mathew Pitsch, Chair of Arkansas Senate Insurance Committee, and Michigan Representative Brenda Carter, Minority Vice Chair of the Michigan House Insurance Committee.

NCOIL President, Indiana Rep. Matt Lehman said, “The turnout at this meeting shows that more and more people are beginning to feel comfortable traveling, and I’m optimistic that by our November meeting in Scottsdale, we’ll be back to operating as we were prior to the pandemic. I am very proud to say that during these unprecedented times, NCOIL has not missed any meetings

and has continued to work extremely hard in providing states guidance in the form of model laws and forums for substantive discussions.”

Committee meeting minutes will be posted soon at www.ncoil.org. Recordings of all meetings and sessions will also be posted on the NCOIL YouTube Channel soon.

The 2021 NCOIL Summer Meeting is scheduled to take place in Boston, MA from July 14th – 17th. Registration will open in May.

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 over seventy 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.