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CONTACT:
Susan Nolan
NCOIL National Office
518-687-0178

Mike Humphreys
NCOIL Washington, DC Office
202-220-3014

NCOIL MODEL TO ENSURE CONFIDENTIALITY OF MCAS DATA

Austin, TX, November 21, 2010 — The National Conference of Insurance Legislators (NCOIL) today approved long-awaited model legislation to regulate the collection and use of market conduct annual statement (MCAS) data. Adoption by the Executive Committee came two days after the State-Federal Relations Committee unanimously adopted a revised *Market Conduct Annual Statement Model Act*.

Sen. James Seward (NY), NCOIL past president and model bill sponsor, said:

NCOIL legislators feel they have an obligation to provide states a statutory framework for the ongoing NAIC MCAS program. With as much as half of our nation's insurance commissioners turning over, and 47 states scheduled to participate in the MCAS process for 2011—many without specific legislative authorization—our action to provide legal certainty for the collection and handling of MCAS data is timely.

The NCOIL model would provide statutory authority for regulators to annually collect MCAS data and establish rules to govern collection and sharing of the information. It would also allow commissioners to confidentially share MCAS data with other entities—including with the NAIC, and other state and federal regulators—and would base insurer participation on a \$50,000 direct written premium threshold currently required by the NAIC.

The model, debated at each NCOIL meeting since its introduction in 2009, was the subject of four conference calls between spring and summer meetings of this year. Legislators completed consideration of amendments at the 2010 Summer Meeting, but deferred a final vote due to time constraints and to provide the NAIC, at the organization's request, a final opportunity for comment.

Representatives of the American Insurance Association (AIA), National Association of Mutual Insurance Companies (NAMIC), and Property-Casualty Insurers Association of America (PCI) supported the model legislation.

The NCOIL Annual Meeting took place November 18 through 21.

For further details, please contact the NCOIL Washington, DC Office at 202-220-3014, or by email at mhumphreys@ncoil.org.

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