

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS
EXECUTIVE COMMITTEE
BURLINGTON, VERMONT
JULY 15, 2012
MINUTES

The National Conference of Insurance Legislators (NCOIL) Executive Committee met at the Hilton Burlington in Burlington, Vermont, on Sunday, July 15, 2012, at 9:30 a.m.

Sen. Carroll Leavell of New Mexico, NCOIL President, presided.

Other members of the Committee present were:

Rep. Barry Hyde, AR	Sen. William J. Larkin, Jr., NY
Sen. Travis Holdman, IN	Rep. Brian Kennedy, RI
Rep. Matt Lehman, IN	Rep. Charles Curtiss, TN
Rep. Steven Riggs, KY	Rep. Bill Botzow, VT
Rep. George Keiser, ND	Rep. Kathie Keenan, VT
Rep. Donald Flanders, NH	Sen. Mike Hall, WV
Sen. Neil Breslin, NY	

Sen. Dan Morrish of Louisiana also was present.

Also in attendance were:

Susan Nolan, Nolan Associates, NCOIL Executive Director
Candace Thorson, Nolan Associates, NCOIL Deputy Executive Director
Michael Keegan, Nolan Associates, NCOIL Director of Legislative Affairs—DC
Michael Carroll, Nolan Associates, NCOIL Director of Legislative Affairs

MINUTES

Upon a motion made and seconded, the Committee unanimously approved the minutes of its February 26, 2012, meeting in Biloxi, Mississippi.

FUTURE SITE PRESENTATION

A representative of the host hotel for the November 15 to 18 NCOIL Annual Meeting, The Grand Hotel Marriott Resort in Point Clear, Alabama, provided an overview of the location and of travel options. Among other things, she spoke to outdoor, dining, and other opportunities that would be available to attendees.

MEETING REPORT

Ms. Nolan reported that there were nearly 276 attendees at the Summer Meeting. She said that just under 50 legislators had attended, including ten newcomers.

FINANCIALS

Ms. Nolan reported on 2011 year-end audited and March 30, 2012, unaudited financials for NCOIL and the Insurance Legislators Foundation (ILF). She said that:

- NCOIL had received \$672,125 in total support and revenue; incurred \$662,419 in total expenses; and had \$285,873 in net assets at year-end, representing a change in net assets of \$9,706.

- The ILF had received \$235,418 in total support and revenue, including \$67,566 in unrestricted contributions, \$96,852 for seminars and annual meetings, and \$71,000 restricted for scholarships; incurred \$191,993 in total expenses; and had \$98,788 in net assets at year-end, representing a change in net assets of \$20,475.

Upon a motion made and seconded, the Committee unanimously approved Ms. Nolan's report.

NOMINATION

Upon a motion made and seconded, the Committee voted unanimously to accept Sen. Morrish, as chair of the Louisiana Senate Insurance Committee, as an automatic voting member of the NCOIL Executive Committee.

ELECTION OF NCOIL TREASURER

Sen. Leavell reported that former NCOIL Treasurer Sen. Vi Simpson of Indiana had resigned her leadership role as a consequence of running for Lieutenant Governor in her state. He said that the officers serving as NCOIL Vice President, Secretary, and Treasury would subsequently ascend in rank, as per NCOIL bylaws, and that he had appointed a Nominating Committee, chaired by Immediate Past President Rep. Keiser, to fill the vacant Treasurer position.

Rep. Keiser said that other Nominating Committee members had included past presidents Rep. Craig Eiland (TX), Rep. Robert Damron (KY), and Rep. Kennedy. He said that Rep. Ron Crimm (KY) and Sen. Holdman each had applied for consideration as Treasurer. After complimenting both candidates on their service to NCOIL over the years, Rep. Keiser said that after much deliberation, the Nominating Committee was recommending Sen. Holdman to fill the Treasurer position. He moved that the Executive Committee accept the following new slate of officers:

President-Elect: Rep. Curtiss
 Vice President: Rep. Greg Wren, AL
 Secretary: Sen. Breslin
 Treasurer: Sen. Holdman

Sen. Larkin seconded the motion, and the Committee unanimously approved the slate of officers as presented.

Sen. Leavell then reminded legislators that the Nominating Committee would present a new slate of officers for acceptance at the Annual Meeting, when Sen. Leavell's term as president would end and the remaining officers would again ascend in rank. Ms. Nolan explained how legislators interested in applying for consideration as NCOIL Treasurer for the 2012 to 2013 term could do so.

NON-CONTROVERSIAL CALENDAR

Ms. Thorson said the non-controversial calendar included the following:

International Insurance Issues Committee

- *Resolution Urging Support for State Authority in U.S. Trade Negotiations*, as amended

Property-Casualty Insurance Committee

- *NCOIL Model State Uniform Building Code*, as amended (bylaws-required review)

Workers' Compensation Insurance Committee

- *Resolution in Support of H.R. 5284, Establishing Workers' Compensation Medicare Secondary Payer Reforms*

Upon a motion made and seconded, the Committee unanimously approved the non-controversial calendar.

Sen. Leavell then excused himself from the meeting, and Rep. Curtiss assumed chairmanship.

COMMITTEE REPORTS

Financial Services & Investment Products Committee

Rep. Lehman, acting chair of the Committee, said the Committee had:

- received a report on Dodd-Frank implementation activity
- received a report on an NAIC social media white paper
- discussed state and federal lender-placed insurance activity
- received an update on a Government Accounting Standards Board (GASB) public pension reform initiative

Upon a motion made and seconded, the Executive Committee unanimously approved the report.

Health, Long-Term Care & Health Retirement Issues

Mr. Keegan, in absence of the Committee chair, said the Committee had:

- discussed discontinued health insurance plans and determined to consider the issue further at the Annual Meeting in light of Affordable Care Act (ACA) developments
- discussed interested-party comments on long-term care (LTC) insurance
- discussed state laws regarding mandated coverage for oral chemotherapy treatments and expressed interest in taking action in the future
- discussed federal mental health parity requirements and deferred a bylaws-required review of an NCOIL *Mental Health Parity Model Act* until the Annual Meeting in order to determine how the ACA would ultimately impact parity standards

Upon a motion made and seconded, the Executive Committee unanimously approved the report.

International Insurance Issues

Sen. Holdman, chair of the Committee, said the Committee had:

- adopted a resolution on U.S. trade policy and state authority, as amended (non-controversial calendar)
- determined to provide the Office of the U.S. Trade Representative (USTR) with names of NCOIL legislators interested in serving on a USTR advisory committee
- discussed global efforts to influence U.S. regulation
- received a report on international accounting standards activity

Doug Barnert of Barnert Associates, who had reported to the Committee on international accounting standards, gave an additional update on recent Securities & Exchange Commission (SEC) accounting developments.

Upon a motion made and seconded, the Executive Committee unanimously approved the report.

Life Insurance & Financial Planning

Sen. Hall, chair of the Committee, said the Committee had met twice and had:

- adopted, during a special meeting, an amended NCOIL *Model Unclaimed Life Insurance Benefits Act*
- discussed contingent annuity regulation
- discussed principles-based reserving efforts
- received an update on state life settlements activity

Sen. Hall said that the amended unclaimed benefits model, which he said the Committee had adopted overwhelmingly, would require insurers to check the Death Master File (DMF) semi-annually, among other things.

Upon a motion made and seconded, the Executive Committee unanimously approved the report and the amended unclaimed benefits model act.

Property-Casualty Insurance

Rep. Riggs, chair of the Committee, said the Committee had met three times and had:

- adopted a *Model Act Regarding Use of Insurance Binders as Evidence of Coverage*, following discussion at two special meetings
- deferred consideration of a draft *Certificates of Insurance Model Act Substitute* and determined to request amendments for consideration on a call prior to the Annual Meeting
- readopted an NCOIL building code model act, as amended and per bylaws-required review (non-controversial calendar)
- deferred consideration of a draft *Limited Lines Travel Insurance Model Act* and determined to request amendments for consideration on a conference call prior to the Annual Meeting
- deferred consideration of a draft *Consumer Legal Funding Model Act*
- deferred consideration of a draft resolution on state control of natural catastrophe policy
- received reports on National Flood Insurance Program (NFIP) reforms, recent state anti-fraud legislation, and a Department of Housing & Urban Development (HUD) disparate impact ruling

Upon a motion made and seconded, the Executive Committee unanimously approved the report and the insurance binder model act.

State-Federal Relations

Mr. Keegan, in absence of the Committee chair, said the Committee had:

- adopted a draft *Resolution Urging Producer Licensing Modernization* with clarifying amendments
- discussed market conduct regulatory reform
- received a report on surplus lines activity, including a Surplus Lines Insurance Multi-State Compliance Compact (SLIMPACT)
- received a report on Interstate Insurance Product Regulation Commission operations

Upon a motion made and seconded, the Executive Committee unanimously approved the report, including the producer licensing resolution.

NCOIL-NAIC Dialogue

Rep. Keiser, chair of the Committee, said the Committee had discussed with regulators:

- market conduct regulatory reform

- producer licensing/NARAB II
- international regulatory developments
- an NAIC *Model Holding Company Act*
- life insurance issues
- surplus lines reform

Upon a motion made and seconded, the Executive Committee unanimously approved the report.

Workers' Compensation Insurance

Rep. Hyde, chair of the Committee, said the Committee had:

- adopted an updated version of an NCOIL resolution on Medicare secondary payer reform (non-controversial calendar)
- discussed repackaged drug/physician dispensing issues and initiatives, including a Montana law and a Florida Senate bill
- received an update on workers' comp for agriculture and migrant farm workers

Upon a motion made and seconded, the Executive Committee unanimously approved the report.

SPECIAL SESSIONS

States and the Federal Insurance Office (FIO)

Mr. Keegan, in absence moderator Rep. Greg Wren (AL), said that a July 12 roundtable entitled *States and the FIO: What Will the FIO Report Mean for Insurance Regulation?* had featured representatives of the American Academy of Actuaries, American Bankers Insurance Association, American Council of Life Insurers, Center for Economic Justice, Independent Insurance Agents & Brokers of America, and National Association of Insurance Commissioners. He said that FIO Director Michael McRaith had been invited but was unable to participate. Mr. Keegan said that the speakers had focused on FIO activities to this point, since release of the FIO report on insurance modernization, which was anticipated prior to the Summer Meeting, had been delayed.

Upon a motion made and seconded, the Executive Committee unanimously approved the report.

Healthcare Reform: What Hurdles Lie Ahead?

Rep. Curtiss, in absence of moderator Sen. Leavell, said that a July 13 symposium entitled *Healthcare Reform: What Hurdles Lie Ahead?* addressed critical issues for the states. He outlined some of the most pressing concerns, including development of exchanges and Medicaid expansion. Rep. Kennedy then commented that the panelists were extremely informative.

Upon a motion made and seconded, the Executive Committee unanimously approved the report.

OTHER MEETINGS

Bylaws Revision/Business Planning Committees

Rep. Crimm, chair of the Articles of Organization & Bylaws Revision Committee, said that the Committee had discussed proposed bylaws changes regarding voting privileges. Ms. Nolan said that the changes related to when insurance committee chairs from contributing-member states, who may be accepted as automatic voting members of the Executive Committee at their first meetings, could vote on standing committees. She said that staff would bring forward revised language for Bylaws Committee consideration.

Upon a motion made and seconded, the Executive Committee unanimously approved the report.

Rep. Curtiss, in absence of Business Planning Committee chair Sen. Leavell, said the Committee had voted to increase NCOIL registration fees by \$25 in light of NCOIL costs to facilitate continuing education credits for legislators attending NCOIL meetings.

Rep. Kennedy noted that the Committee also had asked NCOIL staff to investigate certain future sites, including San Francisco and Little Rock. Ms. Nolan outlined her recent future sites efforts, including information on Las Vegas, New York, and other places that she had presented to the Committee.

Upon a motion made and seconded, the Executive Committee unanimously approved the report.

Insurance Legislators Foundation (ILF) Board

Ms. Thorson, in absence of Board President Sen. Leavell, said the Board had discussed ILF scholarship efforts, as well as a proposed second ILF-Federal Emergency Management Agency (FEMA) study on flood insurance. She said that NCOIL staff, as previously directed by the Board, had been discussing with FEMA the possibility of a study on floodplain rating maps and that FEMA believed federal funding would be available, as in the past. Ms. Thorson said the Board had determined at its July 13 meeting, however, that such a study might be premature.

Upon a motion made and seconded, the Executive Committee unanimously approved the report.

Membership Committee

Rep. Curtiss, chair of the Committee, spoke to the importance of membership outreach, particularly in light of the financial downturn, and highlighted the role that ILF scholarships play in encouraging state legislator participation.

Upon a motion made and seconded, the Executive Committee unanimously approved the report.

OTHER BUSINESS

Ms. Nolan said that each Committee member had been given a copy of the 2012 NCOIL *Legislators Fact Book & Almanac*. She summarized the information included in the Almanac and encouraged Committee members to utilize it.

ADJOURNMENT

There being no other business, the Committee adjourned at 10:30 a.m.