

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS
EXECUTIVE COMMITTEE
CHARLESTON, SOUTH CAROLINA
MARCH 1, 2015
MINUTES

The National Conference of Insurance Legislators (NCOIL) Executive Committee met at the Mills House Wyndham Grand Hotel, in Charleston, South Carolina on Sunday, March 1, 2015, at 9:00 a.m.

Sen. Neil Breslin of New York, NCOIL President, presided.

Other Committee members present were:

Sen. Travis Holdman, IN	Assem. Will Barclay, NY
Rep. Matt Lehman, IN	Rep. Jim Seward, NY
Rep. Steve Riggs, KY	Rep. Bob Hackett, OH
Sen. Dan "Blade" Morrish, LA	Rep. Brian Kennedy, RI
Rep. George Keiser, ND	Sen. Robert Hayes, SC

Other legislators present included:

Sen. Edna Brown, OH

Also in attendance were:

Susan Nolan, Nolan Associates, NCOIL Executive Director
Candace Thorson, Nolan Associates, NCOIL Deputy Executive Director
Molly Dillman, Nolan Associates, NCOIL Director of Legislative Affairs
Andrew Williamson, Nolan Associates, NCOIL Director of Legislative Affairs

MINUTES

Upon a motion made and seconded, the Committee approved the minutes of its November 23, 2014, meeting in San Francisco, California.

MEETING REPORT

Ms. Nolan of Nolan Associates reported there were 229 attendees at the Spring Meeting, including 37 legislators, one newcomer, and seven regulators, including two commissioners.

DUES

Ms. Nolan reported that NCOIL is in the midst of its fiscal year and that collections are progressing well.

FINANCIALS

Ms. Nolan reported total NCOIL 2014 year-end unaudited income as \$729,479, total expenses as \$608,270, change in net assets as \$121,209 and total net assets (end of period) as \$502,982.

Ms. Nolan reported total NCOIL 2014 year-end unaudited Insurance Legislators Foundation (ILF) income as \$163,505, total expenses as \$186,934, change in net assets as \$23,428 and total net assets (end of period) as \$136,375.

Ms. Nolan reported that NCOIL Publishing LLC activity had been discontinued. She reported Almanac 2014 year-end unaudited total income as \$18,320 and total expenses as \$20,935. Ms. Nolan reported total assets at the end of the period as \$29,340, and noted that these finds were transferred to NCOIL.

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

NON-CONTROVERSIAL CALENDAR

Ms. Thorson of Nolan Associates said that the non-controversial calendar included the following:

Articles of Organization and Bylaws Revision Committee

- amended Bylaws Section V, so that the Treasurer chairs the Budget Committee rather than the Vice President, who already chairs the Audit Committee

International Insurance Issues Committee and International Issues Task Force

- adopted a Legislative Toolkit for state advocacy in international insurance discussions, allowing interested parties ten days to submit updates before NCOIL distribution to states

Property-Casualty Committee

- re-adopted the NCOIL guaranty fund model, with amendments
- adopted an amendment to exclude structured settlements from the NCOIL Medicaid Interception of Insurance Payments Model

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

COMMITTEE REPORTS

Financial Services & Investment Products Committee

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

- heard an update on cyber-security and cyber-insurance issues
- heard a report on NCOIL-Consumer Financial Protection Bureau (CFPB) communications
- discussed congressional efforts related to Dodd-Frank
- heard an update regarding an NCOIL pension de-risking resolution

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

Health, Long-Term Care & Health Retirement Issues

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

- discussed telemedicine regulatory approaches and issues
- heard a report on efforts to ensure network adequacy under the Affordable Care Act
- discussed a proposed resolution regarding coverage for obesity treatments
- heard a report on the results of a study regarding economic/state budget impacts of private disability income insurance
- heard a report on an HHS/CMS private insurer partnership to combat health insurance fraud

- heard a report on concerns regarding electronic funds transfer payments, specifically virtual credit cards

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

International Insurance Issues Committee and International Issues Task Force

Sen. Morrish, Task Force chair, said the Committee/Task Force had:

- heard a report on NCOIL outreach regarding international insurance concerns
- heard an update on developments regarding IAIS, FSB and related entities
- heard an update on trade agreement activity
- discussed the "Team USA" initiative and NCOIL participation
- adopted the NCOIL Legislative Toolkit, giving interested parties ten days to submit potential updates before NCOIL distribution to states

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

Life Insurance & Financial Planning

Rep. Keiser, in absence of the Committee chair, said the Committee had:

- discussed unclaimed benefits developments in light of NCOIL model
- discussed NAIC principle-based reserving developments and interested-party responses
- heard an update on captive insurance regulatory activity
- heard a report on indexed annuity suitability issues

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

NCOIL-NAIC Dialogue

Sen. Seward, chair of the Committee, reported that the Committee had discussed:

- FIO/FACI ongoing activity and impacts on state regulation
- state ACA implementation
- NAIC Transportation network company (TNC) activity
- marker conduct regulatory reform efforts
- National Flood Insurance Program (NFIP) developments

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

Property-Casualty Insurance

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

- heard a report on National Flood Insurance Program (NFIP)/flood insurance developments
- discussed a proposed model to regulate transportation network companies (TNCs)
- discussed a proposed model act regarding roofer contractor fraud
- adopted an amendment to the NCOIL *Medicaid Interception of Insurance Payments Model*
- adopted amendments to the NCOIL guaranty fund model
- heard a report on vehicle service contracts and perceived regulatory loopholes

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

State-Federal Relations

Sen. Hayes, in the absence of the Committee chair, reported that the Committee had:

- discussed TRIA reauthorization and related concerns
- heard a report on FIO initiatives and state regulatory impacts
- heard an update on status of NARAB II producer licensing
- heard an update on IIPRC developments

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

Workers' Compensation Insurance

Ms. Thorson, in the absence of the Committee chair, said the Committee had:

- heard a report on South Carolina workers' compensation insurance system
- discussed potential reforms regarding professional employer organizations (PEOs) and agreed to form a task force to discuss possible revisions to the NCOIL model
- heard a report on opioid developments as relates to NCOIL *Best Practices to Address Opioid Abuse, Misuse, and Diversion*

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

SPECIAL SESSIONS

Cyber Loss and Insurance: What Happens When "the Big One" Hits?

Assem. Barclay, moderator of the session, reported that legislators had heard from Holly Kinnamon (Holly J. Kinnamon Strategies, LLC), Kevin McKechnie (American Bankers Insurance Association), Catherine Mulligan (Zurich - Specialty E&O), and Jonathan Knudsen (Codonomicon). He said panelists spoke to the types of events insurers should be concerned about and why and how breaches of security are possible.

Drug Prices: How Much is Too Much? And Where Will States Draw the Line?

Mr. Williamson of Nolan Associates, in absence of the moderator, reported that legislators heard from experts representing state government, pharmaceutical, insurer, and provider perspectives. He said the panel discussed, among other things, "specialty drugs" and why their prices are so high, as well as ways legislators can address drug costs while encouraging access and continued medical innovation.

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

OTHER SESSIONS

Articles of Organization and Bylaws Revision Committee

Ms. Thorson, in the absence of the Committee chair, reported that the Committee had adopted the amendment on the non-controversial calendar that made the Treasurer the Budget Committee chairman rather than the Vice President.

Business Planning Committee

Sen. Seward, chair of the Committee, said the Committee had discussed efforts regarding NCOIL administration. He said that in light of Nolan Associates' decision not to renew its contract,

NCOIL will not move forward with potential partnership with CSG for DC representation, as NCOIL may need those resources in the future. He reported that there was a discussion of future NCOIL meeting sites contracted for 2017. He also said that there was a report on meeting evaluation survey results from the November meeting.

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

Keynote Luncheon

Sen. Breslin said South Carolina Insurance Director Ray Farmer delivered an excellent presentation on South Carolina mitigation and building code efforts and spoke in regards to his experiences with NCOIL.

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

Membership Committee

Rep. Kennedy, co-chair of the Committee, reported that the Committee is looking to the newly elected NCOIL Officers to continue outreach to states not involved with NCOIL. He said that the Committee would like to see additional dues in 2015.

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

Griffith Luncheon

Ms. Thorson reported that the Griffith legislative luncheon focused on surety bonds, which had been an IEC suggestion for a general session.

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

ADJOURNMENT

There being no other business, the Committee adjourned at 10:00 a.m.