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National Conference of Insurance Legislators

...for the states

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## LEGISLATORS BACK NCOIL LIFE SETTLEMENTS MODEL—SEE AS KEY TO STOPPING STOLI ABUSE

**Troy, New York, February 15, 2008** – The National Conference of Insurance Legislators (NCOIL) last week—in a letter sent to legislative leaders and insurance committee chairs of the 50 states and related jurisdictions—strongly reaffirmed its commitment to an NCOIL *Life Settlements Model Act* adopted by its Executive Committee in November 2007. The model was approved unanimously after nearly two years of interested party input and over 35 hours of intense discussion and debate. NCOIL believes the model is key to addressing a very vital concern—that of illegal stranger-originated life insurance schemes, or STOLIs.

NCOIL President Brian Kennedy, RI, in the February 7 letter reaffirmed the group's conviction that the model, which received legislative and industry consent, will address STOLI abuses relating to the sale of life insurance products, writing to legislators across the country

Whether STOLIs are broached by your state insurance department or insurance and other industry representatives, the issue—if not already—soon will be on your state's insurance committee agenda. I would encourage you to introduce the NCOIL proposal, as we believe that it is a strong model that protects the property rights of individual policyowners while addressing STOLI abuses.

Rep. George Keiser, ND, who chaired the Subcommittee on Life Settlements during the model's development, in speaking to the model process said, "The Committee worked tirelessly to deliver effective and equitable life settlement policy. The intricacies of the issue necessitate continued NCOIL direction and involvement. As an organization, we will continue to educate fellow policymakers, monitor state activity and ardently support adoption of the NCOIL model."

Currently, seventeen states are moving to address life settlements in their respective chambers—with others planning to do so in the near future. The Life Insurance & Financial Planning Committee, when it meets on February 28 in conjunction with the NCOIL Spring Meeting in Washington, D.C. will review current state activity relating to STOLI legislation, continue educational efforts and discuss further ways to actively promote adoption of the NCOIL proposal.

The meeting affords Committee members with their first opportunity to review state life settlements activity since adoption of the NCOIL model at its 2007 NCOIL Annual Meeting.

The Committee will also examine the use of deceitful sales designations, aggressive marketing tactics and fraud in the sale of securities to seniors. Representatives from the AARP, the North American Securities Administrators Association (NASAA), and the National Association of Insurance and Financial Advisors (NAIFA), among others, will discuss efforts to protect the needs of seniors.

Other agenda items include a report on joint efforts to effectuate a principles-based system for life insurance reserves and a discussion of current state efforts to modernize the definition of group life by reducing the qualifying number.

The February 28 through March 2 NCOIL Spring Meeting will be held at the Hyatt Regency Washington on Capitol Hill.

A copy of the February 7 letter is available at [www.ncoil.org](http://www.ncoil.org)

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. .

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