

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS
INSURANCE LEGISLATORS FOUNDATION (ILF) BOARD
SAVANNAH, GEORGIA
FRIDAY, FEBRUARY 21, 2003
MINUTES

The National Conference of Insurance Legislators (NCOIL) Insurance Legislators Foundation (ILF) Board met at the Hyatt Regency Savannah in Savannah, Georgia, on Friday, February 22, 2003, at 11:15 a.m.

Rep. Kathleen Keenan of Vermont, ILF Board President, presided.

Members of the ILF Board present were:
Rep. Brian Kennedy, RI

Other legislators present were:
Rep. Shirley Bowler, LA
Rep. Virginia Milkey, VT
Rep. Mark Young, VT

Others present were:
Mr. Robert Mackin, Mackin & Company, ILF Executive Vice President
Ms. Susan Nolan, Mackin & Company, NCOIL Deputy Executive Director

MINUTES

Upon a motion made and seconded, the Board unanimously voted to approve, as submitted, the minutes of its Friday, November 22, 2002, meeting held in San Francisco, California.

ADMINISTRATION FINANCIALS

Mr. Mackin reported that both the market conduct and flood study accounts were in good shape financially. Mr. Mackin said because there was not a quorum to vote, the approval of the financials had to be tabled until the Williamsburg summer meeting. Ms. Nolan said that the audited financials would be available at the summer meeting.

FUNDRAISING

Mr. Mackin reported that over \$100,000 had been raised for Phase II of the Insurance Market Conduct Examination Public Policy Review study.

Ms. Nolan reported that she and Mr. Mackin had attended the Griffith Foundation for Insurance Education Seminar held in Columbus, Ohio, on February 8 through 10. She said that nine legislators from six non-member states were also in attendance. She said that through the ILF, those legislators would be offered scholarships to attend future NCOIL meetings.

Mr. Mackin added that the scholarship program would allow legislators from non-member states to attend NCOIL meetings and would help with the membership drive for 2003.

FLOOD INSURANCE STUDY

Mr. Mackin reported that the ILF Hearing on the National Flood Insurance Program went very well. He said that the product of that hearing would be a report which the ILF would submit to the NCOIL Property-Casualty Insurance Committee. He said that the Property-Casualty Insurance Committee might recommend a model bill to address flood mitigation, preparedness, promote sound floodplain management and assist victims of flooding disasters. He said that copies of the ILF's *A Legislator's Guide to Flood Insurance* were still available.

MARKET CONDUCT STUDY

Ms. Nolan distributed to Board members a timeline on Phase II of the Insurance Market Conduct Examination Public Policy Review study. She said that as of May, the Board would receive the preliminary draft of the final report of the second phase of market conduct study. She said that the Board needed to approve the draft three weeks prior to a hearing scheduled for Friday, June 6, at the Inter-Continental Hotel in Chicago, Illinois. She said the final report would incorporate testimony received at the June 6 hearing. She said that the Board would review and approve the final draft of the report at the NCOIL Summer Meeting in Colonial Williamsburg, Virginia. She said that the Board would then forward the report to the appropriate NCOIL committee. She added that the committee would then decide what to do with the information. She said, for example, that the committee could recommend model legislation. She said that, ideally, that the committee would have draft legislation ready for the Annual Meeting in Santa Fe, New Mexico.

Mr. Mackin reported that he had received a letter from Brian Atchinson, IMSA President, which reaffirmed IMSA's support of the second phase market conduct study.

The chair then recognized Mr. James Schacht of PricewaterhouseCoopers (PWC). Mr. Schacht said that the Board would get a report that laid out a fairly dramatic change in the way that market conduct surveillance should be conducted. He said that it would depart significantly from what the NAIC was currently doing. He said that the report would raise concerns and objections to some of the NAIC's activities with respect to the market conduct annual statement. He said that PWC would make recommendations on how to improve the market conduct surveillance system.

UPPL STUDY

Ms. Nolan presented the Board with a packet of information regarding the UPPL study. She said that the packet addressed the budget, the role of the ILF and the project summary. She reported that NCOIL had adopted a resolution in support of a repeal of a provision in the UPPL that had been enacted in 38 states and D.C., which stated that "the insurer shall not be liable for any loss sustained or contracted in consequence of the insurer being intoxicated or under the influence of any narcotic unless administered under the advice of physicians." She reported that the ILF had sent out a survey to legislators and insurance commissioners to record attitudes towards repealing the UPPL.

In response to a question from Rep. Kennedy, Ms. Nolan said that the ILF would work with the Harvard School of Medicine, Division of Addictions and the study would be funded by a small grant from the Robert Wood Johnson Foundation.

OTHER BUSINESS

There being no further business, the Board adjourned at 11:45 a.m.