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#### SUMMER MEETING

July 14–18, 2016  
Portland, OR

## NCOIL WRAPS UP PRODUCTIVE SPRING CONFERENCE IN LITTLE ROCK, AR

The national NCOIL conference in Little Rock concluded a productive meeting. Over 200 attendees and nearly three dozen legislators participated in committees and general sessions covering a wide ranging of insurance issues.

Senator Travis Holdman, NCOIL President stated “We did productive work in Little Rock. Committees met to discuss important issues we are facing in our states.”

Committees heard from consumer and industry experts about the use of big-data in underwriting and rating, hosted several NAIC commissioners on issues including regulatory efforts regarding cyber-risk and insurance, a special discussion about the impact of Dodd-Frank Act on Insurance, discussed cyber-security, considered model acts in the health committee, discussed proposed “covered agreements” for reinsurance collateral, considered opposing views about alternatives to workers

compensation insurance and heard an update on unclaimed life insurance benefits.

In addition to the policy issues discussed, Senator Jason Rapert, NCOIL Secretary showed off the sites and culture of Little Rock by hosting a Capitol tour for attendees and entertaining guests by playing his fiddle along with his bluegrass band Living Grace at the Welcome Reception.

Senator Holdman led an all-participant discussion at a first of its kind Welcome Breakfast about the strengths and weaknesses of NCOIL and what the organization needs to do to enhance value to the legislators and participating interested parties.

Governor Asa Hutchinson delivered the luncheon keynote address and discussed the future of the health insurance exchange in Arkansas.

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## U.S. AND E.U. MEETING ON COVERED AGREEMENTS; THREAT POSED TO STATE BASED INSURANCE REGULATION

After meeting in Brussels in February, the United States and the European Union issued a joint statement on bilateral agreement on the insurance and reinsurance measure. This is an imminent threat to the state based regulation of

insurance. NCOIL members and the NAIC are working to educate Members of Congress about the harm this would cause to the state based regulatory structure.



Sen. Travis Holdman  
President



Thomas B. Considine  
Chief Executive Officer

## STAFF BIO



### **PAUL PENNA** Executive Director NCOIL Support Services

Commissioner Tom Con-sidine named Paul Penna Executive Director of NCOIL Support Services. Penna previously served as the Chief of Staff at the New Jersey Department of Banking and Insurance under three Commissioners, overseeing all aspects of the Department.

He also served as the Executive Director of the New Jersey Democratic State Committee and on the staff of two Governors and Congressman Rush Holt. He is the CEO of Penna Consulting, a management and communications firm.

Penna is active in his local community, having chaired the local Planning Board and is a frequent presenter at campaign and communications training sessions.

Penna graduated with a Bachelor of Arts in History from Rutgers College. He resides in Lawrenceville, NJ with his wife Cathleen Lewis and their daughters, Abigail and Bridget.

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The general sessions heard from experts on two interesting topics. Auto Insurance: What's Happening in the Market? What Does it Mean to be Affordable? and Health Insurance Exchanges at Year Three: Where are we now and What will the Future Hold? The Life Insurance & Financial Planning Committee re-adopted the Beneficiaries' Bill of Rights, Life Insurance Disclosure Model Act and the Long-Term Care Tax Credit Model Act.

"We're off to a good start" said NCOIL CEO Tom Considine, who began his tenure January 1st. "Sen. Holdman, the officers and leadership group are great. One of the few things that the representatives of industry, the think tanks and the consumer groups all seem to agree on is that we need to get NCOIL back to the point where it is a real difference maker in the insurance legislative arena."

## **Health Insurance Exchanges at Year Three: Where are we now and What will the Future Hold?**

At the NCOIL national meeting in Little Rock, there was an interesting health general session featuring Dennis Smith, the Director of CMS in the Bush Administration and Gary Cohen, the Director for CMS' Center for Insurance Oversight in the Obama Administration, as well as Cheryl Smith Gardner, who runs the AR Exchange after having done so previously in UT, and Neil Sullivan, who led NJ's ACA implementation efforts at the NJDOBI.

While the number of uninsured has reduced, high deductibles, copays, coinsurance are becoming more prevalent and affect access to care. This trend predates the ACA. The majority of co-ops are insolvent and the state exchanges are facing challenges. Several states are applying for Section 1332 waivers from the federal government to contain costs and provide services.

Minutes from NCOIL Little Rock Meeting available at [NCOIL.org](http://NCOIL.org)

## **NCOIL REACTS TO HOUSE FINANCIAL SERVICES PASSAGE OF H.R. 2901**

Rep. Steven Riggs, NCOIL Vice President applauded the passage of H.R. 2901 by the House Financial Services Committee. "We support the ability of private insurers to issue flood insurance policies that mortgage issuers recognize as the same as policies issued by the National Flood Insurance Program" said Riggs "This modernization is a positive first step to realizing that goal. At least half of this entire market could be underwritten by the private side that will offer more options at lower cost."

Currently, NFIP is the exclusive provider of flood insurance. Private carriers can issue coverage on behalf of the NFIP through its "Write Your Own" program, which allows participating companies to write and service the NFIP's

standard insurance policy in their own names. This is far different from private carriers underwriting and pricing the risk themselves. H.R. 2901, the Flood Insurance Market Parity and Modernization Act requires private Flood insurance to be treated the same as federal Flood insurance by homeowners' mortgage issuers that require flood insurance as a condition for the mortgage. The legislation is sponsored by Reps. Dennis Ross (R-Fla) and Patrick Murphy (D-Fla).

Added "Homeowners that are required to buy Flood insurance deserve a variety of options that are treated equally" stated Riggs. "It is my hope that this will spur competition in the marketplace and drive costs down."