

## NCOIL to Weigh NASAA/NAIC Senior-Specific Protection Models

As part of its ongoing efforts to advance life insurance and annuity consumer protections, an NCOIL Life Insurance & Financial Planning Committee will consider endorsing two model regs—developed by the North American Securities Administrators Association (NASAA) and National Association of Insurance Commissioners (NAIC)—designed to curb the use of misleading senior-specific sales titles. Legislators will take action on February 25 during the NCOIL Spring Meeting.

Slated for discussion is a proposed *Resolution in Support of Regulating the Use of Senior-Specific Certifications and Professional Designations*, sponsored by NCOIL President Sen. Carroll Leavell (NM). The resolution would support the NASAA and NAIC (cont. on page 2)



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**NCOIL SPRING  
MEETING**  
Biloxi, MS  
February 24 — 26



## NCOIL URGES STATES TOWARD ONLY VIABLE RESPONSE TO DODD-FRANK: SLIMPACT

To start the year off right, NCOIL President Sen. Carroll Leavell, NM, urged legislative leaders returning to their respective statehouses in January to endorse the only workable solution that fully answers Dodd-Frank Act surplus lines provisions—a *Surplus Lines Insurance Multi-State Compliance Compact (SLIMPACT)*.

On January 4, Sen. Leavell wrote that SLIMPACT embodies the states' "best foot forward" as they work to streamline surplus lines taxation and regulation. He cited SLIMPACT eligibility/solvency standards and policyholder notices as key provisions responding to Dodd-Frank's call for nationwide uniformity.

The NCOIL letter encouraged legislators to take a lead on SLIMPACT when Executive Branch officials fail to act. "While you may feel that you have already responded to Dodd-Frank in 2011," Sen. Leavell wrote, "we have found that some states deferred policymaking authority to Executive Branch officials—officials who, in most cases, have not taken steps to join SLIMPACT. We, therefore, strongly encourage you to exercise your legislative prerogative and explicitly enter into SLIMPACT," Leavell said.

SLIMPACT represents a more comprehensive response to Dodd-Frank than does a controversial *Nonadmitted Insurance Multistate Agreement (NIMA)*, whose start-up date was recently pushed forward. On December 22, the Mississippi Insurance Department announced that "As of the date of this Bulletin, it is apparent that the [NIMA] (cont. on page 4)

NCOIL has the honor of welcoming as its Spring Meeting keynote speaker **U.S. Senator**

**R o g e r  
W i c k e r ,  
M S ,** member of the Senate Committee on Banking & Insurance. Senator Wicker will speak to financial



services and natural disaster insurance reform.

The lunch is set for 12:00 to 1:15 p.m. on Feb. 24. ■

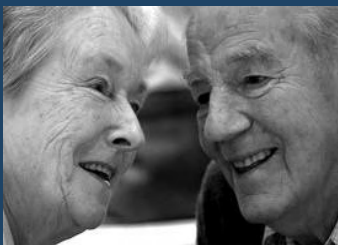
## NCOIL to Weigh...

(cont. from page 1)

model rules/regulations that establish standards to defend against ambiguous and fraudulent marketing tactics.

Sen. Leavell's resolution also would urge the emerging Consumer Financial Protection Bureau to move forward with a program authorized by the Dodd-Frank Act that could provide grants to states that implement the NAIC/NASAA models, as well as an NAIC *Suitability in Annuity Transactions Model Regulation*. A state could receive up to \$500,000 for three consecutive years if the state adopts all three models or up to \$100,000 for three years if the state adopts the NAIC models or NASAA rule.

Introduction of the resolution stems from a series of State Leaders Summits held in conjunction with NCOIL meetings, which provide a forum for state officials to



explore issues of common concern, including federal preemption, regulatory reform, and annuity suitability. Following a Summit held at the 2011 NCOIL Spring Meeting, the organization adopted a resolution endorsing the NAIC suitability model. ■

## NCOIL Spring Meeting: Key Issues to Watch

The Biloxi Spring Meeting will be jam-packed with critical issues including, among others:

### Certificates of Insurance (COIs)

NCOIL will spotlight a model to regulate the controversial practice of COIs, a bill that would attempt to stem fraud and misuse of the documents that verify insurance coverage to third parties. Legislators will zero in on whether "info only" disclosure rules mean trouble for commercial lenders and whether language in state binder insurance laws holds the solution.



### FIO and State Regulation



As the Federal Insurance Office flexes its muscles, state legislator, regulator, and attorney general reps at a February 24 State Leaders' Roundtable will weigh what FIO undertakings, including a forthcoming FIO report, could mean for the future of state oversight. Officials also may look at Financial Stability Oversight Council and Consumer Financial Protection Bureau developments, among other items.

### Essential Health Benefits (EHBs)



A special blue-ribbon panel will explore what a recent HHS ruling—which passed decision-making to the states—means for plans sold on/off exchanges; adverse selection; state budgets, mandates, and Medicaid; the chronically ill; and others.

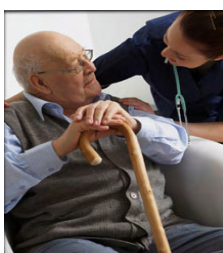
### Unclaimed Life Insurance Benefits



NCOIL—furthering its quest to protect beneficiaries and secure unclaimed property—will feature two model laws. Legislators on February 25 will consider amendments to an existing unclaimed benefits act that would carve out pre-need and credit insurance plans and require semi-annual, rather than quarterly, DMF searches, for instance. The Committee also will debate a bill calling on unclaimed property administrators to comply with similar requirements.

### Workers' Comp Repackaged Rx/Doc Dispensing

Legislators will zero in on cost and coverage implications of selling repackaged drugs in doctor offices rather than through pharmacies. The discussion—which could lead to NCOIL legislation—will include input from key stakeholders.



### Long-Term Care Reform

On February 24, NCOIL will explore critical long-term care insurance challenges and consider new ways to contain costs and relieve state budget burdens, among other items. ■





## NCOIL Legislators Launch Investigation into Oral Chemotherapy Coverage

Turning an eye towards healthcare treatments for cancer patients, the NCOIL Health, Long-Term Care & Health Retirement Issues Committee will begin to investigate state laws mandating equal coverage for office-based intravenous and home-based oral chemotherapy. The discussion, which builds on growing interest in state legislatures, will take place during the NCOIL Spring Meeting in Biloxi, MS.

The Committee has invited interested parties to join them to help make sense of treatment options and their impacts on medical costs and patient outcomes. The Committee will look at whether oral chemo should be considered a prescription drug benefit rather than a medical treatment and at how such a decision could affect out-of-pocket costs, provider compensation, and insurer payments. Legislators also will survey state efforts to address the issue, among other things.

Representatives of the American Cancer Society's Cancer Action Network, the Pharmaceutical Research & Manufacturers of America, and insurers will participate. The Committee will meet on February 24 from 1:30 to 2:45 p.m. ■

## NCOIL Moves Toward Decision on Third-Party Loans to Plaintiffs

NCOIL legislators on Saturday, February 25, will delve into the pros and cons of controversial lending transactions that help make it possible for consumers to file lawsuits, many of them tied to personal injury. The loans—provided by third parties who are not involved in the claim—are the focus of a proposed *Resolution Regarding Third-Party Litigation Financing* that will be brought before the Property-Casualty Insurance Committee at the Biloxi Spring Meeting and that calls for a ban on the practice.

Third-party litigation funding, also known as non-recourse funding, is alternately characterized as a crucial, pro-consumer way to help individuals get their well-deserved days in court and as an anti-consumer distortion of the judicial system.

The practice, it is said, can take various forms but, in general, third parties who are unconnected to the substance of a lawsuit loan money to a consumer or corporate plaintiff so they can pay daily and other expenses during a trial. If the plaintiff wins, the financing company receives a percentage of the award,

along with interest on the loan. If the plaintiff loses, the financing company receives nothing.

The resolution before the Committee purports that the practice is objectionable because it requires “excessive” interest rates and fees, promotes frivolous lawsuits that may lead to increased insurance premiums, and raises ethical concerns. Recent state efforts to regulate third-party financing—which is rather common in the United Kingdom, Australia, Germany, and Spain, for instance—have addressed disclosure to consumers and (cont. on page 4)

## NCOIL SPRING MEETING

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BILOXI, MS**

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## NCOILetter

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### NCOIL Moves...

caps on interest rates, among other things.

The draft resolution is sponsored for discussion by Sen. Ruth Teichman (KS). Participants in the NCOIL debate, which will take place when the Committee meets from 1:00 to 2:15 p.m. on February 25, will feature representatives of the American Legal Finance Association (ALFA), Oasis Legal Finance,

### NCOIL Urges States...

Clearinghouse cannot be operational before July 1, 2012.” Shortly thereafter—and in a possible harbinger of things to come—the Nebraska Department of Insurance announced that it would withdraw from NIMA effective March 5, 2012.

As NCOIL works towards achieving a tenth state—making SLIMPACT fully operational—some advocates warn that federal preemption is a real danger unless more states take action. Certain industry sup-

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various property-casualty insurers, and the Center for Economic Justice (CEJ). An academic specializing in ethics related to attorneys and third-party funding also will comment. ■



*(cont. from page 1)*

porters, while waiting for broad reform, have been moving toward a single-state, 100 percent tax approach—in which a state holds onto, rather than shares, premium taxes it collects.

On February 24, the NCOIL State-Federal Relations Committee will explore SLIMPACT efforts—including recently introduced legislation—and discuss a game plan for future activity. Discussion will take place at the Biloxi Spring Meeting. ■