



## NCOIL Eyes Conclusion of Consumer Legal Funding Debate

On November 20 and 21, the NCOIL Property-Casualty Insurance Committee will review a proposed *Consumer Litigation Funding Model Act*, a compromise model sponsored by Sen. Neil Breslin (NY) in an effort to wrap up Committee discussion of consumer litigation funding and resolve extensive NCOIL debate. Remaining on the table for 30-day consideration are two initially proposed models, a proposed *Civil Justice Funding Model Act*, sponsored by Sen. Breslin, and a proposed *Model Consumer Lawsuit Lending Alignment Bill*, sponsored by Rep. Matt Lehman (IN).

The new compromise proposal would prohibit third-party funding companies from (1) charging fees in any 12-month period that are more than 45 percent of the original funded amount and

*(cont. on page 2 sidebar)*

### inside this issue

Legislators to Explore Ridesharing Regulation **P. 2**

NCOIL to Host Panel on PPACA Exchanges —First Anniversary **P. 3**

NCOIL Annual Meeting Highlights **P. 3**

**SAVE THE DATE!** Visit [www.NCOIL.org](http://www.NCOIL.org) for future meeting dates and places!

## NCOIL Testifies at U.S. House Hearing on International Initiatives

State Senator Neil Breslin of New York, NCOIL President, testified before members of Congress on November 18 to deliver a clear message: transparency in international insurance discussions is critical, coordination is necessary, and legislative participation is a must.

The hearing, entitled “The Impact of International Regulatory Standards on the Competitiveness of U.S. Insurers, Part II,” also included testimony from Federal Insurance Office (FIO) Director Michael McRaith, Commissioner Michael Consedine

of the Pennsylvania Department of Insurance, and Thomas Sullivan of the Board of Governors of the Federal Reserve System. The hearing was called by the Housing and Insurance Subcommittee of the House Committee on Financial Services.

According to Sen. Breslin, who chairs the NCOIL International Issues Task Force and is Ranking Member of the NYS Senate Insurance Committee, “It is clear that U.S. insurance regulation is facing historic challenges. Our more *(cont. on page 2)*

## NCOIL Supports Call for IAIS Openness and Transparency, Adoption of U.S. House and Senate Resolutions

In a move that advanced NCOIL support for transparency and the ability of interested parties to weigh in at the International Association of Insurance Supervisors (IAIS), NCOIL has urged members of the U.S. House and Senate to pass resolutions opposing an IAIS effort to close meetings and limit commentary. The October 14 letters from NCOIL President Sen. Neil Breslin (NY) to key congressional committees endorsed House Resolution 735 and Senate Resolution 561, asserting that the issues they raise are crucial to preserving

state insurance regulation.

“The growing importance of IAIS initiatives,” NCOIL said, “particularly related to capital standards and corporate governance, demands a more, not less open approach. State legislators in the U.S. should not be asked to accept, and would be hard-pressed to support, IAIS-inspired proposals that have not benefited from the transparency and inclusiveness that are hallmarks of U.S. policymaking.”

*(cont. on page 4)*

## NCOIL Eyes Conclusion ... (cont. from p. 1)

(2) charging additional fees, except for a one-time document preparation fee, not to exceed \$500. Other provisions in the proposed compromise model mirror provisions in Sen. Breslin's original *Civil Justice Funding Model Act*, which, among other things, would establish that consumer litigation funding transactions are not loans and (1) require certain disclosures, (2) prohibit conflicts of interest and other items, (3) require registration of third-party funders, and (4) address how fees and charges can be calculated and for how long, among other provisions. Rep. Lehman's original *Model Consumer Lawsuit Lending Alignment Bill* would regulate consumer litigation funding as a loan that would be subject to fee and rate caps.



### NEXT STOP!

Join NCOIL in  
CHARLESTON,  
SOUTH CAROLINA

February 27 to  
March 1, 2015

The Mills House  
Wyndham Grand  
Hotel

## NCOIL Testifies at U.S. House Hearing...

(cont. from p. 1)

than 150 years of effective oversight—which **strikes a balance** between the needs of consumers and the importance of healthy and competitive markets—is under pressure from international officials whom NCOIL believes may not understand or appreciate what state regulation does so well. Our system, which came through the financial crisis well, is **being second-guessed** by officials from countries that had a far different experience.”

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**Following are additional excerpts from Senator Breslin's November 18 written testimony.**

“My colleagues at NCOIL and I believe strongly that global insurance discussions must be open and allow for broad comment during development of proposed standards, must **‘do no harm’ to state regulation**, and absolutely must include a vehicle for state legislators, as well as regulators, to weigh in.”

“Transparency and open deliberations are a foundation of the **U.S. state legislative process** and likewise are critical if state lawmakers, who enact the laws regulating insurance in this country, are to have confidence in the regulation they are asked to consider...”

“It is a fundamental NCOIL belief that openness and transparency are critical in any and all international dialogues affecting the U.S. system—and we assert that state legislators should not be asked to accept, and would be **hard-pressed to support**, proposals that have not been developed based on those standards.”

“...we have expressed concern that the **International Association of Insurance Supervisors (IAIS)**, while most likely well-meaning in its efforts to develop global insurance standards, has pursued a path that limits access to IAIS deliberations and makes it more difficult for interested

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## Legislators to Consider Ridesharing & Regulatory Change

On November 22 in San Francisco, California—home to ridesharing heavyweights Uber and Lyft—legislators at the NCOIL Annual Meeting will participate in a special session entitled *Ridesharing Services: Driving into Controversy* to look at how state and local governments are grappling with regulation of the increasingly popular industry. Among items to be discussed: at what point drivers are considered “on duty” for insurance purposes, how much coverage is appropriate, opportunities for private insurers, safety implications, and comparisons with the taxi and limousine industry.



John Clark  
James River  
Insurance Company



Gus Fuldner  
Uber  
Technologies



Robert Herrell  
CA Department  
of Insurance



Robert Passmore  
Property Casualty  
Insurers Assoc. of Amer.



Gregory Serio  
Taxi, Limousine &  
Paratransit Assoc.

The session will lay groundwork for NCOIL Property-Casualty Insurance Committee debate in 2015. A proposed 2015 Committee charge would commit NCOIL to evaluating and offering ridesharing guidance to states.

parties to comment. The growing **urgency of IAIS initiatives**—particularly regarding capital standards, group supervision, and corporate governance—demands a more, not less open approach.”

“It is critically important that **those who represent the U.S. overseas stand together** when it comes to any proposal affecting U.S. insurers and ultimately consumers, and there must be clear understanding that insurance companies do not operate like banks and that **bank-centric proposals** would make it more difficult for U.S. companies. Regulation that works in the banking industry may be entirely inappropriate for insurance.”

“NCOIL, through an NCOIL In-

ternational Issues Task Force..., is **working with the National Association of Insurance Commissioners** (NAIC) and with other advocates of state oversight to ensure that federal entities—particularly those involved at the IAIS and at the Financial Stability Board (FSB)—stand up for the U.S. system and challenge any attempt to disregard its principles.”

“There needs to be a formal **way for state lawmakers** to participate and, though we appreciate expressions of interest in working with state legislators, we look for a more official role.”

“NCOIL has been concerned that as created under the Dodd-Frank Act, the FIO is **subject to ‘mission creep’** both domestically and internationally, and so

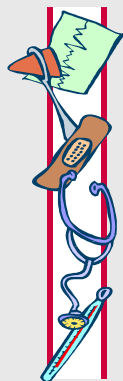
at this unprecedented time in insurance regulation, we especially welcome a legislative seat at the [**Federal Advisory Committee on Insurance**] table.”

“...while state regulation is not perfect, state legislators & regulators are **always working to enhance** areas where reform is needed, and NCOIL and NAIC have worked together over the years to effect such change.”

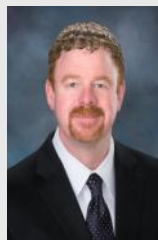
“The U.S. has a **long history of protecting consumers and promoting strong markets**—in both good and trying financial times—and there is real harm in international insurance discussions that would unravel a U.S. system that may be **different from other insurance** regulation around the world—but that works.”

## NCOIL to Host Panel on Health Exchanges — Year One

An NCOIL Annual Meeting general session on Saturday, November 22, entitled *PPACA Exchange Anniversary: What’s Working and What Isn’t*—being held just more than a year since the first PPACA open enrollment period began—will explore how the first twelve months of health insurance exchanges has played out, including impacts on rates, Medicaid, and Children’s Health Insurance Programs (CHIPs). Panelists will speak to which state exchanges have been most successful and to how states that encountered problems have responded. The session also will give insight into enrollee demographics and the status of the uninsured population and will consider how states might fund their exchanges in future years.



Charles Bacchi  
California Association  
of Health Plans



Mark Estess  
AARP Idaho  
ID Health Ins. Exchange Bd.



Comm. Scott Kipper  
Nevada Department  
of Insurance

## NCOIL Annual Meeting Highlights

As part of its discussion and debate on dozens of state, federal, and global insurance issues, the NCOIL Annual Meeting in San Francisco will feature the following special sessions:

### AD HOC STRATEGIC PLANNING WORKING GROUP

Wednesday, November 19  
2:00 to 2:30 p.m.

### SPECIAL EXECUTIVE COMM. (Report of Ad Hoc WG)

Thursday, November 20  
9:30 to 10:30 a.m.

### UNCLAIMED LIFE INS. PROPERTY TASK FORCE

Thursday, November 20  
10:30 to 11:45 a.m.

### INTERNATIONAL ISSUES TASK FORCE

Thursday, November 20  
1:00 to 2:15 p.m.

### KEYNOTE LUNCHEON (CA Ins. Comm. Dave Jones)

Friday, November 21  
11:45 a.m. to 1:00 p.m.

### GENERAL SESSION PPACA EXCHANGES

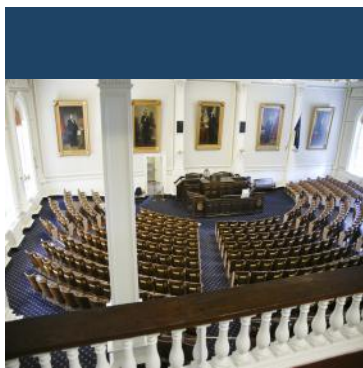
Saturday, November 22  
9:00 to 10:15 a.m.

### GENERAL SESSION RIDESHARING SERVICES

Saturday, November 22  
10:30 to 11:45 a.m.

### EXECUTIVE COMMITTEE (Recognition of Outgoing Legislators)

Sunday, November 23  
8:00 to 9:00 a.m.



## NCOILetter

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reflect NCOIL views or opinions.  
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## NCOIL SUPPORTS CALL...

(cont. from page 1)

“We cannot fully appreciate,” Sen. Breslin stressed, “the impacts of an IAIS standard if all parties have not had a chance to comment on what such impacts are.”

Sen. Breslin said NCOIL is concerned that “limiting who can access IAIS discussions could result in an unlevel playing field and an appearance of favoritism” and could inadvertently harm small and medium-sized insurers without the resources to engage internationally.

The letter said that NCOIL agreed with the resolutions’ belief that the IAIS should take into account the concerns of the National Association of Insurance Commissioners (NAIC). “NCOIL,” the letter said, “through an NCOIL International Issues Task

Force, is working with the NAIC and with other advocates of state oversight to ensure that federal entities—particularly those involved at the IAIS and at the Financial Stability Board (FSB)—stand up for the U.S. system and challenge any attempt to disregard its principles.”

“Our fundamental belief,” Sen. Breslin wrote, “[is] that openness and transparency are critical in any and all international dialogues affecting U.S. regulation.”

The letter for H. Res. 735 went to the House Committee on Foreign Affairs, which has jurisdiction, and to leadership and the Financial Services Committee. The S. Res. 561 letter went to the Senate Banking Committee and to Senate leadership.