



States Move Forward on NCOIL Unclaimed Benefits Model

In an effort to ensure that beneficiaries receive the monies they are due, two states in March enacted laws based on a controversial NCOIL *Model Unclaimed Life Insurance Benefits Model Act*. Other states are also moving forward with their own NCOIL-based legislation.

Under the direction of co-sponsor and NCOIL Past President Sen. Carroll Leavell, New Mexico's S. 312 passed the House on March 15 and now awaits Governor Susana Martinez's signature. Montana's S. 34 left the House on March 18 and is pending the signature of Governor Steve Bullock.

In North Dakota, H. 1171—co-sponsored by NCOIL Past President Rep. George Keiser, as well as by Rep. Jim Kasper and Sens. David McConnell and Matthew Klein—resides in the Senate Industry, Business & Labor Committee. *(cont. on page 2)*

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SAVE THE DATE!

NCOIL SUMMER MEETING
July 11 - 14
Philadelphia, PA



STATES GRAPPLE WITH OPIOID ABUSE APPROACHES, NCOIL PLANS BEST PRACTICES FOR REFORM

Legislatures—which have accelerated their opioid-related efforts in recent years—may soon benefit from proposed NCOIL best practices that would culminate more than a year of NCOIL discussion and would provide an important springboard for upcoming legislative debate.

Proposals to address a tragic rise in opioid abuse are being shepherded through state houses across the country, evidencing a multi-faceted approach to curb the epidemic. Nearly 100 bills in three dozen states have been introduced that look to make headway on prescription drug monitoring programs

(PDMPs) and rogue pain clinics often dubbed “pill mills,” among other options.

According to the National Conference of State Legislatures (NCSL), some 25 percent of the 2013 bills regarding prescription painkillers would refine the state's PDMP—most often addressing who has access to the records and when they must be checked. Bills in Connecticut, Florida, Hawaii, Iowa, Vermont, and Virginia, for instance, would make use of PDMPs mandatory before prescribing or dispensing certain controlled substances. An Indiana bill would require such *(cont. on page 2)*

NARAB II LICENSING LEGISLATION: VOICES FOR AND AGAINST

On March 19, a U.S. Senate Committee on Banking, Housing & Urban Affairs subcommittee heard testimony on a re-introduced proposal to create a National Association of Registered Agents & Brokers (NARAB II). S. 534 and its House companion, H.R. 1064, would establish a non-governmental organization that would oversee multi-state producer licensing.

NARAB II has attracted support from regulators and industry representatives, both of whom believe it

reforms licensing procedures without threatening state regulatory authority. Consumer representatives, however, have voiced strong concerns that NARAB II will lack transparency and public accountability, among other things.

NCOIL, which has not yet taken a position, will discuss NARAB II at its July 11 to 14 Summer Meeting in Philadelphia, Pennsylvania. Following are a few examples of what NARAB II supporters and opponents have to say. *(cont. on page 3)*

Survey Says... Most/Least Expensive States for Car Insurance

Some states—perhaps including yours—have a bad rep for high-priced auto coverage. But ever wonder what qualifies as “high-priced” insurance? Curious to know what state is most expensive? Which state has the happy distinction of placing last?

Below is a recent state-by-state ranking, released on March 14 by Insurance.com. The company collected rates for more than 750 car models (in the 2013 model year) from six big insurers—Allstate, Farmers, GEICO, Nationwide, Progressive, and State Farm—in ten ZIP codes per state. Insure.com then averaged all the data collected from within a state to determine its rank.

The rates are based on a hypothetical **40-year-old, single male** driving 12 miles to work each day with policy limits of 100/300/50 (\$100,000 for injury liability for one person, \$300,000 for all injuries, and \$50,000 for property damage in an accident). The driver has a \$500 deductible on collision and comprehensive coverage, as well as uninsured motorist coverage, a clean driving record, and good credit.

Rank	State	Avg. annual premium
1	Louisiana	\$ 2,699
2	Michigan	\$ 2,520
3	Georgia	\$ 2,155
4	Oklahoma	\$ 2,074

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States Move Forward...

In Rhode Island, H. 5452—sponsored by NCOIL Past President Rep. Brian Kennedy—is being held over for further study.

A bill in Vermont (H. 95) is pending in the Senate Finance Committee after being co-sponsored by Reps. Bill Botzow, Warren Kitzmiller, and Michael Marcotte. In Massachusetts, H. 20 resides

in the Joint Judiciary Committee. Kentucky, Alabama, and Maryland enacted NCOIL-based laws last year.

The NCOIL model requires insurers to compare in-force life insurance policies against the U.S. Social Security Death Master File (DMF) on a semi-annual basis.

The model—which applies to

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both existing and future business—also establishes rules for life insurers to notify state treasury departments and escheat any unclaimed benefits. The language establishes a protocol that insurers must follow after identifying potential DMF matches. The NCOIL model act does not exempt government and church plans. ■

States Grapple...

action before prescribing or dispensing more than a 30-day supply.

“Pill mill” pain clinics—which sometimes have bouncers at their doors—would be brought under control by bills requiring owners to be licensed physicians, among other things. Georgia and Florida—two states in which pain clinics are a particular problem—have such bills pending.

Alabama, Tennessee, and West Virginia also have pain-clinic legislation on the table.

Other 2013 legislation would establish immunity for healthcare professionals and others who make good faith efforts to treat someone experiencing an opioid overdose, address substance abuse treatment and education, and establish rules for substituting a prescription painkiller in tamper-resistant packaging with an equivalent drug that has no such tamper resistance.

NCOIL—spurred to action by the enormity of the opioid abuse problem—has vowed at its July

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11 to 14 NCOIL Summer Meeting in Philadelphia to consider wide-ranging best practices that would lay out principles of effective state reforms. The guidelines, which are likely to address drug monitoring program operations, funding, prescribing practices, and data sharing, among other things, will take into account recent state experiences, as well as the recommendations of various stakeholders.

For more info, contact the NCOIL National Office at 518-687-0178. ■

Opioid Epidemic Facts

According to the Centers for Disease Control & Prevention (CDC):

- Enough prescription painkillers were prescribed in 2010 to medicate every American adult around-the-clock for one month.
- Most prescription painkillers are prescribed by primary care and internal medicine doctors and dentists, not specialists. Roughly 20 percent of physicians prescribe 80 percent of all prescription painkillers.
- Southwest and Appalachian states have the most significant problems with opioid overdoses. The highest overdose death rates in 2008 were found in New Mexico and West Virginia, which had rates nearly five times that of the state with the lowest rate, Nebraska.
- More than three out of four people who misuse prescription painkillers use drugs prescribed to someone else.



NARAB II...

SUPPORT:

"NARAB represents a unique and very narrow case where federal legislation can be used to streamline a process, while preserving state authority, and should not be interpreted to suggest support for any further pre-emption of State insurance laws. Insurance regulatory reform should always begin and end with the States." — *March 19 written testimony of MT Comm. Monica Lindeen, NAIC Vice Pres.*

"In short, the NARAB II proposal would strengthen state insurance regulation, reduce unnecessary redundancies and regulatory costs, and enable the industry to more effectively serve the needs of insurance buyers—and it would achieve these results without displacing or adversely affecting state regulatory oversight." — *March 19 written testimony of Jon A. Jensen, IIABA Gov.'t Affairs Committee Chair*

OPPOSE:

"By creating a non-governmental organization to carry out governmental regulatory duties, the new entity is not subject to the same public accountability as governmental entities. It is a hybrid of state insurance regulators and agent trade associations overseeing regulatory requirements and enforcement. If the states are going to give up their regulatory authority to a non-

governmental organization, then the consumers—the people purchasing products from these kinds of regulated producers—should be part of the governing board." — *Birny Birnbaum, Exec. Director, Center for Economic Justice*

"While easing national licensing may make some sense on life insurance policy sales, it makes no sense for P/C coverages. Imagine

a Michigan agent attempting to properly get cover for a Florida homeowner for hurricanes or an Arkansas agent trying to understand Michigan's no-fault laws. P/C insurance varies too much state to state as respects law and risk to not maintain local control of licensure." — *J. Robert Hunter, insurance director, Consumer Federation of America*

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What Would NARAB II Do?

S. 534, the *National Association of Registered Agents & Brokers Reform Act of 2013*, was introduced by Sen. Jon Tester (MT) and 13 co-sponsors on March 12. That same day, Rep. Randy Neugebauer (TX) introduced the H.R. 1064 companion bill, which now awaits action in the House Financial Services Committee.

Structure of NARAB II : NARAB II would be a non-profit corporation. It would not be an "agent or instrumentality" of the U.S. government.

Membership: Any insurance producer licensed in his/her home state and in good standing would be eligible after passing a criminal background check. Biennial renewals would be required.

Benefits of Membership: A member could sell, solicit, or negotiate insurance in any state for which the member pays an applicable licensing fee. Members would be considered non-resident producers in those states and would be subject to relevant laws and regulations.

Board of Directors: The Board would consist of 13 members, appointed by the President with Senate consent. Eight members would be state regulators recommended by NAIC, two would represent p-c insurance producers, one would represent life or health producers, one would represent p-c insurers, and one would represent life or health insurers. Producer/insurer members could be suggested by national trade groups.

State Laws: Only a home state could impose licensing, education, etc. requirements on a member. Any state that has licensed a member could investigate complaints against it and take disciplinary action.

Clearinghouse/Database: The Association could establish a clearinghouse to collect licensing fees—or use the NAIC. The Association also could create a database of regulatory info—or contract with the NAIC for that.

Survey Says...

(cont. from p. 2 sidebar)

Rank	State	Avg. annual premium
5	Wash., D.C.	\$ 2,006
6	Montana	\$ 1,914
7	California	\$ 1,819
8	West Virginia	\$ 1,816
9	Rhode Island	\$ 1,735
10	Kentucky	\$ 1,725
11	Connecticut	\$ 1,723
12	New Jersey	\$ 1,697
13	Alabama	\$ 1,667
14	Missouri	\$ 1,638
15	Massachusetts	\$ 1,625
16	Pennsylvania	\$ 1,604
17	Delaware	\$ 1,586
18	Hawaii	\$ 1,583
19	Texas	\$ 1,545
20	Arkansas	\$ 1,545
21	Maryland	\$ 1,528
	National avg.	\$ 1,510
22	North Dakota	\$ 1,501
23	Wyoming	\$ 1,496
24	Alaska	\$ 1,455
25	Utah	\$ 1,438
26	Kansas	\$ 1,435
27	Minnesota	\$ 1,432
28	New Mexico	\$ 1,431
29	Tennessee	\$ 1,408
30	South Dakota	\$ 1,397
31	Oregon	\$ 1,387
32	Nebraska	\$ 1,384
33	New York	\$ 1,369
34	Florida	\$ 1,364
35	Mississippi	\$ 1,345
36	Nevada	\$ 1,341
37	Virginia	\$ 1,322
38	Illinois	\$ 1,322
39	S. Carolina	\$ 1,288
40	Colorado	\$ 1,271
41	Wisconsin	\$ 1,228
42	Arizona	\$ 1,227
43	Washington	\$ 1,226
44	Indiana	\$ 1,183
45	Vermont	\$ 1,176
46	Idaho	\$ 1,133
47	New Hamp.	\$ 1,112
48	Ohio	\$ 1,106
49	N. Carolina	\$ 1,085
50	Iowa	\$ 1,028
51	Maine	\$ 934

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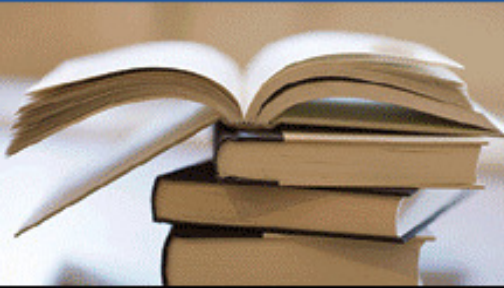
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