

Legislators to Weigh Options for Private-Market Flood Insurance, Hold Special Session

As FEMA implements a new law to reverse certain NFIP rate hikes, legislators at the NCOIL Summer Meeting in Boston will take a special look at why flood insurance is such a federal problem. A July 11 NCOIL session, entitled *Flood Insurance: What's Holding Back the Private Market?*, will explore proposed ways to encourage the kind of private-sector involvement that could reshape how the U.S. addresses flood risk and, hopefully, lessen consumers' financial burden.

Panelists at the early morning session will represent insurers and reinsurers, who will speak to why private companies are hesitant to offer flood insurance and will offer their thoughts on proposed state and federal reforms. FEMA will weigh in on the role that the private market could or should *(cont. p. 2 sidebar)*



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NCOIL SUMMER MEETING
July 10 to 13
Boston, MA



NCOIL PRESIDENT SENATOR BRESLIN REAFFIRMS 2014 NCOIL PRIORITIES

Making clear that NCOIL's aggressive 2014 agenda will continue under his watch, NCOIL President Senator Neil Breslin (NY) reaffirmed recently that NCOIL efforts regarding international insurance and unclaimed property issues were critical, as was the organization's commitment to exploring other public policy concerns. Senator Breslin ascended to the organization's top leadership post in early April.

"NCOIL initiatives to preserve state consumer protections from threats in both this country and abroad—including the work of our International Issues Task Force—are fundamental to NCOIL's

mission of preserving and enhancing state insurance regulation," Senator Breslin said. He asserted that the International Issues Task Force, which he now chairs, "is an important opportunity for legislators to partner with other state officials, including the NAIC, and with consumer and insurer representatives in order to ensure that international dialogues do not undermine successful state oversight." *(cont. on page 2)*



INTERNATIONAL ISSUES TASK FORCE TO NARROW ITS FOCUS

The NCOIL International Issues Task Force is set to narrow its focus to three key priorities at the July NCOIL Summer Meeting in Boston, Massachusetts.



The Task Force will meet on Friday, July 10, to refine an initial list of top concerns,

brought forward by Advisory Council members, that the Task Force began considering at its inaugural

in-person meeting at the NCOIL Spring Meeting in March.

According to NCOIL President and Task Force Chair Senator Neil Breslin (NY), "The work of the Task Force is critical to protecting the state-based system of insurance regulation against mounting global threats. In July, we will prioritize issues of concern based on their urgency, and then we will move forward swiftly and effectively to safeguard a system that has withstood financial crises and protected American consumers." *(cont. on page 4)*

Legislators to Weigh Options...

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play and on what actions might achieve that. Other participants will include an academic and an expert with a state-based perspective, such as from a jurisdiction making its own effort to establish a private flood insurance industry.

The session will precede an NCOIL Property-Casualty Insurance Committee meeting on the same day in which legislators will build on recent NCOIL discussions and will consider the status of NFIP reform efforts and discuss pending legislation and potential NCOIL next steps. NCOIL has asserted for many years that flood risk is one of the rare instances in which the federal government has a role to play. That role, NCOIL believes, should be limited and financially prudent.

Flood risk is considered insurable by private carriers in other countries. Insurers here have



shown little appetite for entering the U.S. market, however—saying, among other things, that they would be unable to charge actuarially sound rates.

Bipartisan Bill to Extend TRIA Introduced in Senate

On April 10, U.S. Senators Chuck Schumer (NY), Mark Kirk (IL), Dean Heller (NV), and Chris Murphy (CT) introduced bipartisan legislation to reauthorize and extend the Terrorism Risk Insurance Act (TRIA) program—currently set to expire at the end of this year—until 2021. While three extension bills have been introduced in the House, with a fourth expected shortly, Senate Bill 2244 is the first bill introduced in the Senate.

Created in the wake of September 11, TRIA provides a critical backstop for insurance coverage against losses from devastating terrorist attacks. According to NCOIL in a July 2013 resolution

that supported reauthorization, insurers likely could not write terrorism coverage absent TRIA, and the impacts would be widespread. “Without adequate terrorism insurance coverage,” NCOIL said, “banks may be unwilling to extend loans for commercial transactions, such as mortgages, construction projects and other capital-intensive initiatives.” NCOIL also submitted comments in support of TRIA to a President’s Working Group on Financial Markets and has advocated for the extension of TRIA in meetings with members of Congress and their staff.

The new Senate legislation, unlike the current House meas-

ures, would make some changes to the program, including raising the amount insurers must pay before the federal government steps in to \$37.5 billion and increasing the insurer deductible to 20 percent. Both increases would



be phased in over a five-year period. These changes, as well as the potential for passage of a TRIA reauthorization package, will be discussed at the NCOIL Summer Meeting in Boston.

NCOIL President Senator Breslin...

Speaking to NCOIL’s new Unclaimed Property Task Force, Senator Breslin reported that interested parties, at the request of Task Force members, had submitted proposed amendments to the 2011 NCOIL *Model Unclaimed Life Insurance Benefits Act* for consideration at the NCOIL Summer Meeting. He said that “A statutory approach to ensuring that beneficiaries receive the life insurance benefits they are due is appropriate, and we look forward to improving the already successful NCOIL model to address issues arising in the states.”

The Senator noted that NCOIL’s 2014 agenda includes a broad array of other U.S. and non-U.S. concerns. He pointed to, among other key items, implementation of the Affordable Care Act, Federal Insurance Office (FIO) activity, flood insurance reform, principle-based reserving (PBR), consumer legal funding, opioid *Best*

Practices, pension de-risking, TRIA reauthorization, cybersecurity, and coverage for mental health treatment.

Formerly President-Elect, Senator Breslin became NCOIL President, as per NCOIL bylaws, when former Pres. Rep. Greg Wren resigned from the AL legislature.

(cont. from page 1)

Summer Meeting Key Issues

Among other items, legislators in Boston will explore:

ACA impacts
consumer legal funding
FIO and CFPB
flood insurance
insurance scoring
international ins. issues

Medicaid payments
mental healthcare
opioid best practices
pension de-risking
principle-based reserving (PBR)
unclaimed life insurance benefits

NCOIL Unclaimed Property Task Force to Update Model to Address Current Challenges

The NCOIL Unclaimed Property Task Force will convene on July 10 during the NCOIL Summer Meeting in Boston to debate proposed amendments to update the organization's *Model Unclaimed Life Insurance Benefits Act*. As states are addressing this vital concern during 2014 legislative sessions, Task Force Co-Chair Rep. George Keiser at the NCOIL Spring Meeting called for a Task Force Advisory council to put forward concrete ideas on how to improve the model.

The proposed changes cover a

range of issues that have arisen since original adoption of the model act in November 2011. Among the key issues covered by the various proposals are retroactive versus prospective application of model provisions, frequency and nature of Death Master File (DMF) searches, asymmetrical use of the DMF, commissioner discretion to provide exemptions, and annual insurer reporting to state regulators.

Legislators will have the opportunity to hear from the submitting

organizations as they work through these proposals in Boston. Amendments were submitted by the National Association of Unclaimed Property Administrators, the American Council of Life Insurers, and the Center for Insurance Research, along with a joint proposal from the Kemper Corporation, Life Insurers Council, and the National Alliance of Life Companies.

Eleven states have passed a version of the NCOIL model, and another eight are considering it in current legislative sessions.

NCOIL to Explore Future of Mental Healthcare in America

Spurred by reports of recent tragedies, NCOIL will explore the future of mental healthcare in America during a July 11 session held in conjunction with the upcoming NCOIL Summer Meeting in Boston. Panelists will illustrate the major issues surrounding mental healthcare and help to address legislator concerns related to providing appropriate care in the states.

Foremost among concerns to be addressed in this session are patient access to services and funding mechanisms in the public and private markets. A 2013 report from the Substance Abuse and Mental Health Services Administration stated that expan-

sion of coverage through the Affordable Care Act (ACA), the Mental Health Parity and Addiction Equity Act (MHPAEA), and Medicaid expansion will further challenge an already strained

The influx of new patients, and the chronic nature of mental health issues, also creates unease for states already grappling with Medicaid funding.

workforce. The influx of new patients, and the chronic nature of mental health issues, also creates unease for states already grappling with Medicaid funding.

To investigate those concerns, NCOIL has invited experts in the field of mental healthcare to give their perspectives on challenges facing states, including representatives of the American Psychiatric Association, the National Association of State Mental Health Program Directors, the National Alliance on Mental Illness, and an insurer representative to be determined.



NCOIL Almanac... for Those in the Know

Described by *Government Finance Review* as "a wealth of information for those seeking to make, affect, or administer the laws that govern insurance markets," the NCOIL *Insurance Legislative Fact Book & Almanac* is available until May 15 for a special \$95 reduced rate, with higher rates beginning on the 16th. Discounts



available for bulk orders. The more than 550-page *Almanac* is filled with contact details for state, federal, and global officials, among other entities, who help to influence insurance public policy and protections. Visit online at www.ncoil.org to order, and choose from among CD-ROM, online book, and traditional hard-copy formats.

VISIT WWW.NCOIL.ORG FOR INFO ON THE JULY 10 TO 13 BOSTON **SUMMER MEETING**:

- REGISTRATION FORMS
- TRAVEL & DIRECTIONS
- TENTATIVE SCHEDULE AND AGENDA
- HOST HOTEL DETAILS
- THINGS-TO-DO IN BOSTON
- EXHIBITOR SIGN-UPS

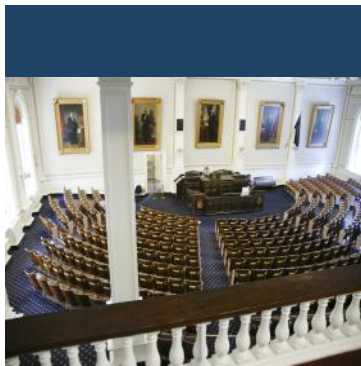
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INTERNATIONAL... *(cont. from p. 1)*

The Task Force will work with its state officials working group as well as with members of its Advisory Council to consider such issues as the development of a Common Framework (ComFrame) for internationally active insurance groups, global capital standards, group solvency, reinsurance collateral, Solvency II, opening of international markets, trade negotiations, and international accounting standards, among others.

The Task Force, which will meet on July 10 from 12:45 to 2:15 p.m., was formed following the 2013 NCOIL Annual Meeting. The purpose of the three-year initiative is to promote understanding of the state-based insurance system globally and to guard the soundness of state consumer protection and insurer solvency laws against overreaching international regulatory efforts.

Sign up today for the NCOIL SUMMER MEETING!

Join us in BOSTON to explore solutions to the state, federal, and global challenges facing your state.

July 10 to 13, 2014
Boston Park Plaza Hotel

Register at www.ncoil.org!

