



**Sen. Travis Holdman**  
President



**Thomas B. Considine**  
Chief Executive Officer

## NCOIL CONCLUDES SUCCESSFUL SUMMER CONFERENCE IN PORTLAND, OR

NCOIL recently concluded its 2016 Summer Conference at the Downtown Waterfront Marriott in Portland, Oregon. Over 250 attendees, 54 Legislators representing 25 States, 4 Insurance Commissioners, 9 Insurance Departments, and 6 new Legislators participated in committee hearings that covered a wide range of issues dealing with Life & Health Insurance, Property & Casualty Insurance, Workers' Compensation Insurance and International and State-Federal Relations.

Former Utah Governor and HHS Secretary Mike Leavitt provided an insightful and engaging keynote address about the importance and challenges of protecting the state based regulation of insurance, the future of the Affordable Care Act and how legislators can ensure their constituents are best served by ideas emanating from the states and not the federal government.

Several of NCOIL's Model Laws were also re-adopted by their respective committees. The Property & Casualty Committee re-adopted the Flex Rating Regulatory Improvement Model Act. The Workers' Compensation Committee re-adopted the Trucking and Messenger Courier Industries' Workers' Compensation Model Act and the Model Agreement Between Jurisdictions to Govern Coordination of Claims and

Coverage. The Workers' Compensation Committee tabled the re-adoption of the Model State Structured Settlement Protection Act in order to consider amendments to it at the November Conference.

The luncheon speaker was former European Diplomat Dr. Nicholas Whyte, PhD, Senior Director of Global Solutions at APCO Worldwide and Director of the Brussels office. Dr. Whyte spoke and participated in a fascinating discussion regarding the impact of Brexit and the potential impacts on the U.S. and international insurance markets.

Among the other Conference highlights were: a discussion of the complex regulation of annuities; a continued discussion of alternatives to workers' compensation insurance; input on the latest draft of the NAIC Insurance Data Security Model Law; a productive dialogue between NCOIL Legislators and NAIC Commissioners; the costs associated with the use of air ambulances and balance billing; EU "equivalence" and covered agreements; and a discussion on H.R. 2901, the "Flood Insurance Market Parity and Modernization Act" and the overall flood insurance market.

The NCOIL Annual Meeting is in Las Vegas, NV from November 17th - 20th at the Paris. Registration will open in August.

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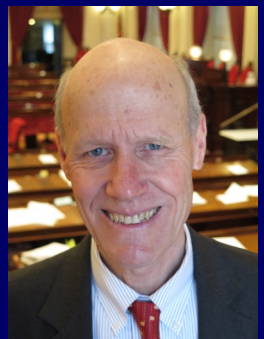
**NCOIL 2016 Annual Meeting**  
November 17—20, 2016  
Paris Las Vegas, Las Vegas, NV



Rep. Steve Riggs, KY  
Vice President



Sen. Jason Rapert, AR  
Secretary



Rep. Bill Botzow, VT  
Treasurer

For more information on  
our committees and  
members go to  
[NCOIL.org](http://NCOIL.org)

## NCOIL FINANCIAL PLANNING COMMITTEE PASSES RESOLUTION URGING REPEAL OF DEPARTMENT OF LABOR FIDUCIARY RULE

The NCOIL Life Insurance & Financial Planning Committee passed a resolution sponsored by Arkansas Senator Jason Rapert during the Summer Meeting in Portland, Oregon urging the repeal of the recently issued Department of Labor (DOL) Fiduciary Rule (Rule). The Resolution passed by a vote of 14-3.

Among other things, the Rule expands the circumstances under which providing “investment advice” gives rise to “fiduciary” status under the Employment Retirement Income Security Act (ERISA) and the Internal Revenue Code (Code). The Rule, which became effective June 7, 2016, has been the source of both strong support and criticism.

Supporters of the Rule claim that it protects consumers by raising the standards for professionals who provide retirement investment advice. However, opponents claim that the DOL exceeded its statutory authority and that the

Rule is burdensome, unworkable and will drive up the costs of retirement investment advice and services for businesses and consumers alike.

Several lawsuits have been filed seeking to strike down the Rule. Plaintiffs include the U.S. Chamber of Commerce, the National Association of Fixed Annuities, the American Council of Life Insurers and the National Association of Insurance and Financial Advisors. Additionally, Congress opposed the Rule by passing a Joint Resolution of Disapproval (H.J. Res. 88), although it was ultimately vetoed by President Obama.

Senator Rapert’s Resolution will be considered by the Executive Committee at NCOIL’s Annual Meeting in Las Vegas, NV in November. You can view the Resolution here: <http://ncoil.org/wp-content/uploads/2016/07/DOL-resolution-portland.pdf>

## NCOIL COMMITTEES PASS RESOLUTION IN SUPPORT OF NAIC REINSURANCE MODELS

The NCOIL International Insurance Issues and State-Federal Relations Committees passed a resolution sponsored by Kentucky Representative Joseph Fischer during the Summer Meeting in Portland, Oregon in support of the National Association of Insurance Commissioners (NAIC) Credit for Reinsurance Model Law and Regulations (Models). The Resolution was unanimously adopted by the Committees.

The Resolution comes at a time during which U.S. and European Union (EU) representatives continue discussions regarding a covered agreement and whether the United States will be deemed “equivalent” under the EU’s new insurance regulatory reform known as Solvency II. Non-EU based companies from countries that have been deemed equivalent will be subject to less stringent regulatory standards to

operate in the EU than those jurisdictions that have not been deemed equivalent.

The Resolution sets forth NCOIL’s belief that a covered agreement relating to reinsurance collateral requirements with collateral requirements below those set forth in the Reinsurance Models will pose an economic threat to the state-based regulation of insurance thereby undermining U.S. policyholders and companies. In 2011, the NAIC worked with State regulators and amended its Reinsurance Models to allow foreign reinsurers to post significantly less than 100% consumer protection collateral for U.S. claims, provided the reinsurer is evaluated and certified. To date, 35 States have passed legislation to implement those Models. NCOIL believes that States that have passed or will pass the Reinsurance Models strengthen the argument that  
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State regulation is flexible, adaptable to changes in the global reinsurance markets, and respectful to other competent regulatory structures.

If a covered agreement on reinsurance collateral is implemented, the Resolution urges it to maintain at its floor the collateral requirements set forth in the NAIC's Reinsurance Models. NCOIL strongly supports the NAIC Reinsurance Models and urges all States that have not already done so to adopt them.

NCOIL looks forward to continuing the discussions surrounding covered agreements, equivalency, and Solvency II at its Annual Meeting in Las Vegas, NV in November. You can view the Resolution here: <http://ncoil.org/wp-content/uploads/2016/07/reinsurance-resolution-portland.pdf>

### SENATOR HOLDMAN SUGGESTS MEETING WITH INTERNATIONAL REGULATORS.

Based on the luncheon speech of Dr. Nicholas Whyte at the Summer Meeting, Senator Holdman suggested that NCOIL explore the possibility of sending a delegation of State Legislators to Brussels to meet with the International Association of Insurance Supervisors (IAIS) next year to educate them about the value of state-based regulation of insurance in the United States. Staff is in the process of figuring out the logistics to make this happen.

### PENNA SPEAKS TO THE COALITION AGAINST INSURANCE FRAUD.

NCOIL Support Services Executive Director Paul Penna spoke to the Coalition Against Insurance Fraud at their semi-annual meeting in Baltimore. Penna discussed the transition NCOIL is going through, the growth strategy NCOIL is undertaking and implored all members to participate in upcoming NCOIL meetings. NCOIL has been a long-time member of the Coalition Against Insurance Fraud.

**PORTLAND SUMMER MEETING  
MINUTES NOW AVAILABLE**

**CLICK HERE**

**November 2016**

| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|-----|-----|-----|-----|-----|-----|-----|
|     |     | 1   | 2   | 3   | 4   | 5   |
| 6   | 7   | 8   | 9   | 10  | 11  | 12  |
| 13  | 14  | 15  | 16  | 17  | 18  | 19  |
| 20  | 21  | 22  | 23  | 24  | 25  | 26  |
| 27  | 28  | 29  | 30  |     |     |     |

**Mark your calendar  
*NOW!!!***

NCOIL 2016 Annual Meeting  
Paris Las Vegas Hotel  
Las Vegas, Nevada

**November 17th—20th**

## NCOIL URGES OBAMA ADMINISTRATION TO IMPLEMENT NARAB II BY SELECTING BOARD MEMBERS AND SENATE TO ACT ON NOMINATIONS PREVIOUSLY MADE

In a press-release issued on July 7, 2016, NCOIL called upon federal officials to implement the National Association of Registered Agents and Brokers Reform Act of 2015 (NARAB II), enacted on January 12, 2015.

NARAB will act as a central clearinghouse allowing insurance producers licensed in their respective home state to sell, solicit or negotiate in every other state in which the licensed producer intends to do business. Prior to its creation, producers had to meet each state's licensing requirements. By enabling insurance producers to quickly and efficiently obtain the authority to operate on a multistate basis, NARAB II will reduce costs and increase competition among insurance producers, thereby generating lower costs and better service for consumers.

NARAB II does not create a federal regulator but rather establishes an independent

non-profit corporation, known as NARAB, controlled by its 13-member Board of Directors. The Board is to be comprised of eight current or former state insurance commissioners and five insurance industry representatives, subject to Presidential appointment and Senate confirmation.

Under the 2015 law, the Board was supposed to be appointed within 90 days of enactment. However, just days after the press release was issued, on July 12, 2016, President Obama nominated three individuals to the Board, bringing the total number of nominees to ten which is still short of the 13 needed for the Board to operate. It is currently unclear whether the Senate will take any action on the nominations. Until nominations are announced and then confirmed by the Senate, no progress can be made in setting up NARAB and making important policy and administrative decisions for consumers to benefit from.

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