



Inside this issue :

2018 YEAR IN REVIEW

NCOIL Spring Meeting
March 15th—17th
Nashville, TN

[Click Here to Register](#)

NCOIL 2018 YEAR IN REVIEW

NCOIL EXECUTIVE COMMITTEE ADOPTS RESOLUTION URGING THE ALI TO CHANGE PROPOSED LIABILITY INSURANCE RESTATEMENT

The NCOIL Executive Committee met in public session via teleconference on January 5th to consider the Resolution Encouraging the American Law Institute to Materially Change the Proposed Restatement of the Law of Liability Insurance. to ensure that the proposed Restatement is not afforded recognition as an authoritative reference.”

After a General Session at the 2017 NCOIL Annual Meeting titled 'A Restatement or NEWstatement? Examining the ALI's Proposed Restatement of the Law of Liability Insurance' with a panel consisting of the proposed Restatement's Reporter Professor Tom Baker, and project participants Professor Peter Kochenburger, Laura Foggan, and Victor Schwartz, NCOIL expressed renewed concern that the proposed Restatement will proceed towards final adoption by the ALI Council without any meaningful changes.

NCOIL will transmit the adopted resolution to ALI leadership, with one final pause for ALI modification before transmitting it with other appropriate communications to State Chief Justices, State legislative leaders, members of the committees with jurisdiction over insurance public policy, as well as to State insurance regulators. Rep. Steve Riggs, KY Immediate Past President

NCOIL ADOPTS MODEL ACT REQUIRING COMPETITION AMONG RATING AGENCIES TO IMPROVE STATE REGULATION OF INSURANCE

At the 2017 NCOIL Annual Meeting in Phoenix, AZ, the NCOIL Financial Services Committee adopted a Model Act to Support State Regulation of Insurance by Requiring Competition Among Rating Agencies sponsored by KY Rep. Steve Riggs and OH Sen. Bob Hackett. The NCOIL Executive Committee adopted an amended version.

“Legislators or regulators should not be in the business of requiring one rating agency when there are several competent rating agencies to choose from. However, almost all of the states are doing this” said KY Rep. Steve Riggs, NCOIL’s then-President. “This stems from a time long ago when there was only one rating agency that rated insurance companies.”

The purpose of the Act is to require competition in insurer ratings to benefit consumers, duly licensed insurance companies, producers, and other third-party stakeholders by promulgating and embracing insurer rating requirements in laws and regulations that incorporate the enumeration of multiple, competent insurer rating organizations. *Con'd on Page 2.*



Sen. Dan “Blade” Morrish, LA
President



Thomas B. Considine
NCOIL CEO



Rep. Matt Lehman, IN
Vice President



Asm. Ken Cooley, CA
Treasurer



Asm. Kevin Cahill, NY
Secretary



Sen. Jason Rapert, AR
Immediate Past President



Rep. Steve Riggs, KY
Immediate Past President

NCOIL CONCLUDES SUCCESSFUL 2018 SPRING MEETING IN ATLANTA

The National Council of Insurance Legislators (NCOIL) has concluded a successful 2018 Spring Meeting at the Whitley in Buckhead, GA. There were 267 registrants at the meeting, including 51 legislators from 31 states. The attendees included 11 first time legislators, 5 commissioners and other staff representing 12 Insurance Departments. All 9 policy committees met to discuss timely insurance and financial services related issues, including three Model Acts currently under active consideration, and one that was tabled.

“We had a productive meeting with good discussion on a variety of subjects” said AR Sen. Jason Rapert, NCOIL President. “We began a dialogue of a model law to regulate PBMs, heard about the impact of federal tax reform on the insurance industry and states, discussed the status of the NFIP and State flood insurance markets, continued a discussion of physician dispensing and drug compounding, and had a good discussion with our regulatory counterparts that sets the table for a productive year.”

There was a lively discussion about Pharmacy Benefit Managers (PBMs), the role they play, and the potential need for regulatory oversight during the Health, Long-Term Care and Health Retirement Issues Committee. Sen. Rapert discussed the need for an NCOIL model. Discussion of this issue will continue at the NCOIL Summer Meeting.

“We continue to invite speakers that will educate legislators on emerging insurance issues and that goal is leading to continued growth year-over-year in both legislator and general attendance” said Commissioner Tom Considine, NCOIL CEO. “We are proud that our recruiting efforts have led to both North Carolina and Florida becoming contributing states.”

The speakers included Georgia Governor Nathan Deal, who delivered the keynote at the Welcome Breakfast; Florida CFO Jimmy Patronis, who delivered the luncheon keynote address on Saturday; CCIIO Director and CMS Deputy Director Randy Pate participated in the Health General Session “Health Insurance Exchanges in the Trump Administration- Are Waivers the Solution?”; and FEMA Assistant Administrator for Federal Insurance David Maurstad participated in the Joint State-Federal Relations and International Issues Committee “Discussion on the Status of the NFIP and State Flood Insurance Markets.”

COMPETITION AMONG RATING AGENCIES con'd

“NCOIL has discussed promoting competition among rating agencies for several years, which led to adopting a Resolution on that issue in 2015” said OH Sen Bob Hackett, a co-sponsor of the measure. “The Model Act represents NCOIL’s commitment to the issue and belief in its importance.”

“NCOIL works to ensure that there is competition where available” said Commissioner Tom Considine, NCOIL CEO. “Regulated competition in the insurance sector protects consumers in the long run.” There was robust debate about the measure, which resulted in changes clarifying the definition of “competent rating agency” that were finalized at the Executive Committee.

NCOIL PRESIDENT PARTICIPATES IN NAIC COMMISSIONERS ROUNDTABLE

AR Sen. Jason Rapert was invited by the National Association of Insurance Commissioners (NAIC) to address the regulator-only Commissioners Roundtable about Pharmacy Benefit Management (PBMs) and the recent legislation passed in Arkansas.

Sen. Rapert told the commissioners:

Upon looking into these issues further, we learned that such practices were not limited to just Arkansas – many states across the country are having similar problems with PBMs. We also learned that a lot of the problems surrounding PBMs are due to the tremendous amount of information that we simply do not know about them since they are not regulated like all the other industries involved in the prescription drug supply chain. Accordingly, last week, my state of Arkansas had a special session called by Gov. Hutchinson, during which The “Arkansas Pharmacy Benefits Manager Licensure Act” - which gives the Arkansas *Con'd on Page 3*

NCOIL CEO SPEAKS AT INSURE IRELAND

Commissioner Tom Considine, NCOIL CEO recently delivered the keynote address to the capacity crowd at Insurance Ireland's INED Council's Flagship Annual Seminar.

Insurance Ireland is that nation's largest business insurance organization, with the INED Council representing the nonexecutive directors of its member companies.

Considine spoke about the efficacy of state-based regulation of insurance and the process where state legislators make public policy decisions through legislation and state regulators ensure that policy is carried out through the authority given them by the state legislature.

Sylvia Cronin, the Director of Insurance Supervision for the Central Bank of Ireland, also spoke at the event, presenting a contrast of regulatory approaches.

"While other countries have different systems of insurance regulation, the United States system has thrived for nearly three quarters of a century" said Considine. "State legislatures work to ensure companies are solvent and consumers are protected. If, that it slightly different among the 50 states, we find that those differences ultimately inure to the improvement of the entire system."

NCOIL has long made protection of the state-based system of insurance regulation against federal and international regulatory creep a top priority having expressed this view in multiple education days to Congress on Capitol Hill.

"We are fond of saying in America that the states are 50 laboratories of democracy," Considine told the assembled Irish directors, CEOs and others present, "however, nobody wants them passing laws in 50 different directions when it comes to insurance regulatory policy. That's where NCOIL comes in."

The seminar took place in The National Concert Hall, Earlsfort Terrace Dublin

NCOIL CONCLUDES SUCCESSFUL 2018 NCOIL SUMMER MEETING IN SALT LAKE CITY

NCOIL concluded a successful 2018 Summer Meeting in Salt Lake City, UT, which included the passage of a Model Towing Act. "NCOIL continues to be the only organization comprised and run by legislators that drafts insurance and financial service model legislation for the states' to consider" said AR Senator Jason Rapert, NCOIL President. "As we saw at the Summer Meeting, there are many issues that require the attention of insurance state legislators and we are working diligently to accomplish that."

The NCOIL Nominating Committee met to consider applications for the vacant Vice- President position and elected LA Sen. Dan "Blade" Morrish. The meeting included 277 attendees, 51 legislators, 5 Commissioners – UT. Cmsr. Kiser, Idaho Director Cameron, MS Cmsr. Chaney, HI Cmsr. Ito and MO Csmr. Lindley-Myers and 14 Insurance Departments represented. All policy committees met to discuss timely issues. *Con'd on Page 6*

COMMISSIONERS ROUNDTABLE Con'd

Insurance Commissioner the authority to license and regulate PBMs passed overwhelmingly in both chambers and was signed by the governor.

As I said at the NCOIL Spring meeting in Atlanta, up until now, the PBMs have been playing street-ball and it is time for a referee. Insurance companies are overseen by insurance departments, pharmacists are overseen by pharmacy boards, and doctors are overseen by medical boards. The time is now to ensure consumers and patients are protected and companies are sound and solvent. I believe PBMs need to be regulated to ensure customers are protected and costs are contained.

NCOIL staff has converted the Arkansas PBM law into a draft Model Law for discussion and has shared with NCOIL staff for your input. We would appreciate your comments back as soon as possible, so that we can discuss them together and expose the Draft Model in May. We hope that after further discussion at an open session during the NCOIL Summer Meeting in July, a Model will be ready for consideration and vote at the NCOIL Annual Meeting in early December.

NCOIL CONCLUDES THIRD ANNUAL DC FLY-IN TO EDUCATE MEMBERS OF CONGRESS ABOUT THE IMPORTANCE OF STATE-BASED INSURANCE REGULATION

On June 26th, a bi-partisan group of NCOIL legislators from State Senates and State Houses of Representatives around the country met in Washington DC to educate Members of Congress and their staffs about the vital importance of state-based regulation of insurance and its success for more than 70 years.

Participating legislators including AR Senator Jason Rapert, NCOIL President; IN Rep. Matt Lehman, NCOIL Treasurer; KY Rep. Steve Riggs, NCOIL Immediate Past President; OH Sen. Bob Hackett, Chair of the NCOIL Financial Services Committee; FL Rep. David Santiago, Vice-Chair of the NCOIL Property & Casualty Insurance Committee; MN Rep. Joe Hoppe, Vice-Chair of the NCOIL Life Insurance & Financial Planning Committee; and AR Rep. Deborah Ferguson, Chair of the NCOIL Life Insurance & Financial Planning Committee.

They together with NCOIL CEO Commissioner Tom Considine and staff, participated in more than 50 meetings with Senators, Congressman, and committee and congressional staff, including significant numbers of both the House Financial Services Committee and Senate Banking Committee, to highlight the need to protect the state-based system of insurance regulation.

“In this critical time in our country, Members of Congress and their staff need to know the importance of state-based regulation of insurance to their states” said AR Sen. Jason Rapert, NCOIL President. “Any attempts to weaken this system have disastrous consequences for our mutual constituents-consumers, companies, and our superior state-based regulation of insurance.”

NCOIL Legislators met with and engaged in dialogue with House Financial Services Subcommittee on Housing and Insurance Chair Rep. Sean Duffy. Rep. Duffy is the prime sponsor of H.R. 4537, which aims to preserve the state-based system of insurance regulation by providing greater oversight of and transparency on international insurance standards setting processes. Rep. Duffy is also the prime sponsor of: H.R. 3746, which would clarify that, subject to narrow

Con'd on Page 5.

LA SENATOR DAN “BLADE” MORRISH ELECTED TO SERVE AS NCOIL VICE PRESIDENT



Sen. Jason Rapert, AR;
Sen. Dan “Blade” Morrish, LA;

The NCOIL Executive Committee met this morning at a Special Executive Committee Meeting during the Welcome Breakfast at the 2018 Summer Meeting in Salt Lake City and elected Louisiana Senator Dan “Blade” Morrish to fill the remaining term as Vice President.

“I am honored and humbled to have been chosen to serve as Vice President” said Morrish. “NCOIL is a valuable organization that I have participated with for many years as a legislator. As we begin NCOIL’s 50th anniversary, I look forward to serving and sharing the great works of this organization.”

The position became vacant when VT Rep. Bill Botzow decided not to seek another term in the VT legislature and resigned as NCOIL Vice President.

“When Bill Botzow told me of his decision to leave the legislature and NCOIL, and I reflected on the need for immediate succession planning, Blade Morrish is the person to come to mind,” said AR Sen. Jason Rapert, NCOIL President. “Blade has been an NCOIL leader who for years, having chaired a number of our committees and is universally respected in the organization,” Rapert continued. “He has my full confidence and the support of our officer team.”

“Sen. Morrish is exactly the type of leader NCOIL needs in our officer ranks at this point in our history” said Commissioner Tom Considine, NCOIL CEO. “He is forward looking, pragmatic & bipartisan, and intent to grow the organization. I welcome him and am excited to work together.”

2018 DC Fly-In Con'd

exceptions, the business of insurance is not within the jurisdiction of the Consumer Financial Protection Bureau (CFPB); and H.R. 3861, which seeks to overhaul the Federal Insurance Office (FIO) by moving it to the Office of International Affairs within the Treasury Department, limiting FIO's role to largely international matters, and capping the number of FIO employees to five (5).

In 2016 and 2017, NCOIL hosted an Education Fly-In where more than a half dozen NCOIL legislators traveled to Washington DC and participated in more than 50 meetings to educate Members of Congress and their staff about the well-established state-based regulation of insurance in the United States. "Education is a critical service that NCOIL provides to legislators and interested parties.

State legislators have worked to affirm the state-based system of insurance legislation and regulation that promotes growth and solvency in the market while protecting consumers, and which has worked for nearly 75 years since the passage of McCarran-Ferguson Act" said Considine, former NJ Banking and Insurance Commissioner. "As we conclude our third DC Educational Fly-in over the past 21 months, there is increased knowledge about the need to protect the existing insurance regulatory system."

State-based insurance regulation has helped create the most competitive insurance markets in the world. In the past several years a number of federal agencies, including the Federal Reserve and the Treasury, have begun intruding into insurance regulatory issues in ways that Congress did not intend when it adopted the McCarran-Ferguson Act in 1945 and re-affirmed as recently as passage of the Dodd Frank Act.

NCOIL APPLAUDS IMPLEMENTATION OF SECURITY FREEZE PROVISIONS IN DODD-FRANK REFORM LAW

NCOIL applauds the implementation of security freeze provisions of the Dodd-Frank Reform Law that went into effect last week. The language in the reform law – The Economic Growth, Regulatory Relief, and Consumer Protection Act - is similar to the NCOIL Model Act Prohibiting Consumer Reporting Agencies from Charging Fees Related to Security Freezes, and the NCOIL Credit Report Protection for Minors Model Act, both sponsored by KY Rep. Steve Riggs, NCOIL Immediate Past President.

"The Dodd-Frank Reform Law that includes similar language to the NCOIL models shows that NCOIL continues to make impactful policy that is bipartisan" said Riggs. "I am pleased that language from the models I sponsored now mirrors the federal law which will further the goals of saving consumers money by allowing them to freeze their credit for free to protect their identities, and to permit parents, legal guardians, or other representatives of minors to place a security freeze on the minor's credit report."

The NCOIL Model Act Prohibiting Consumer Reporting Agencies from Charging Fees Related to Security Freezes passed the Financial Services Committee at the 2017 Annual Meeting and was affirmed by the Executive Committee. The NCOIL Credit Report Protection for Minors Model Act, adopted in 2016, was amended during the 2017 Annual Meeting to incorporate the policy of ensuring all security freezes are free for consumers.

As NCOIL President, I am proud the Trump Administration included language similar to NCOIL's bipartisan models" said AR Sen. Jason Rapert, NCOIL President. "It is what NCOIL does best – identifies a problem, discusses potential solutions and creates a model that can be tailored in individual states."

"While NCOIL remains steadfast in protection of McCarran-Ferguson and state-based regulation of insurance, the incorporation of NCOIL Model language into federal law is something the organization can support" said Commissioner Tom Considine, NCOIL CEO. "But make no mistake, we will never waiver in support of state-based regulation of insurance that has served consumers and companies for nearly 75 years."

2018 SALT LAKE CITY SUMMER MEETING Con'd

"I am pleased with the continued growth and energy at the NCOIL Summer Meeting" said Commissioner Tom Considine, NCOIL CEO. "At this meeting, we selected a new Vice President, readopted many models and adopted a Consumer Protection Model Towing Act that represents a compromise among all the stakeholders."

In addition, there were 3 General Sessions: Innovation General Session – Navigating the Future of Autonomous Vehicles: A Tech and Insurance Update; Health General Session – Breaking Down Silos: Innovative Solutions to Address the Opioid Epidemic; and Property & Casualty General Session – Arrive Alive: Legislative and Industry Trends to Stop Distracted Driving; and 2 Fundamentals of Insurance trainings by the Institutes Griffith Foundation to train new legislators about insurance public policy.

Utah Attorney General Sean Reyes gave an inspirational Keynote Address at the Luncheon and the body saw a video message from Utah Governor Gary Herbert.

The NCOIL Property and Casualty Insurance Committee adopted the Consumer Protection Model Towing Act, sponsored by Rep. Matt Lehman (IN), NCOIL Treasurer, and re-adopted the following model laws for 5 years, per NCOIL bylaws - Model Act Regarding Auto Airbag Fraud; Model State Uniform Building Code; Model Act Regarding Disclosure of Rental Vehicle Damage Waivers; Model Anti-Runners Fraud Bill; Property/Casualty Insurance Modernization Act; and Property/Casualty Insurance Domestic Violence Model Act. The State Flood Disaster Mitigation and Relief Model Act was re-adopted until the December meeting in Oklahoma City in order to consider proposed amendments that would promote the private flood insurance market.

The NCOIL Financial Services Committee adopted a Resolution in Support of The Small Business Audit Correction Act of 2018, sponsored by Sen. Jason Rapert (AR), NCOIL President.

The NCOIL Health, Long-Term Care & Health Retirement Issues Committee continued discussion of the licensure and regulation of PBMs with the goal of having a model ready for action in December.

The NCOIL Workers' Compensation Committee re-adopted the following model laws for 5 years per NCOIL bylaws - Model Act on Workers' Compensation Coverage for Volunteer Firefighters; Construction Industry Workers' Compensation Coverage Act; and Model Act Regarding Workers' Compensation Insurance Coverage in Professional Employer Organization (PEO) Relationships

The NCOIL Model Act on Workers' Compensation Repackaged Pharmaceutical Reimbursement Rates was re-adopted until the December meeting in Oklahoma City in order to consider proposed amendments regarding physician dispensing and drug compounding.

CLICK BELOW TO REGISTER 2019 NCOIL SPRING MEETING

MARCH 15 -17
NASHVILLE, TN



REGISTER NOW

[CLICK HERE](#)