

NATIONAL COUNCIL OF INSURANCE LEGISLATORS
BUSINESS PLANNING COMMITTEE AND EXECUTIVE COMMITTEE
NCOIL SUMMER MEETING – BOSTON, MA
JULY 17, 2021
DRAFT MINUTES

The National Council of Insurance Legislators (NCOIL) Business Planning Committee and Executive Committee met at the Westin Boston Waterfront on Sunday July 17, 2021 at 12:00PM (EST)

NCOIL President, Rep. Matt Lehman, IN, Chair of the Committees, presided.

Other members of the Committees present (* indicates virtual attendance via Zoom)

Rep. Deborah Ferguson (AR)
Asm. Ken Cooley (CA)*
Rep. Bart Rowland (KY)
Rep. Joe Fischer (KY)
Rep. Edmond Jordan (LA)*

Rep. Brenda Carter (MI)
Sen Paul Utke (MN)
Asm. Kevin Cahill (NY)
Sen. Bob Hackett (OH)
Sen. Ronnie Cromer (SC)*

Also in attendance were:

Commissioner Tom Considine, NCOIL CEO
Will Melofchik, General Counsel, NCOIL
Tess Badenhausen, Assistant Director of Administration, NCOIL Support Services

QUORUM

Upon a motion made by Rep. Bart Rowland (KY) and seconded by Sen. Paul Utke (MN), the Committee waived the quorum requirement without objection by way of a voice vote.

MINUTES

Upon a motion made by Rep. Rowland and seconded by Rep. Joe Fischer (KY), NCOIL Secretary, the Committee voted without objection by way of a voice vote to approve the minutes of the Committee's April 18, 2021 meeting.

FUTURE MEETING LOCATIONS

Rep. Lehman noted that the Annual Meeting in Scottsdale is going to be from November 17-20 and remarked that a lot of people said "see you in Scottsdale" which makes it seem like NCOIL will have a good turnout at the Annual Meeting. We are moving towards a full in-person, back to normal meeting. Rep. Lehman remarked that NCOIL will continue to use Zoom for interim meetings, as it is a useful tool for those types of meetings.

The meetings coming up in 2022 are Las Vegas for the Spring Meeting, Jersey City for the Summer Meeting and New Orleans for the Annual Meeting. There is a lot to look forward to

including very good topics of discussion. The 2025 Annual Meeting is scheduled for Atlanta, Georgia.

ADMINISTRATION

Cmsr. Considine noted that there were 340 attendees for the Spring Meeting: 268 in-person and 72 virtual. There were 66 legislators from 29 states: 57 in-person and 9 virtual. There were 28 first-time legislators. There were four commissioners (or equivalent) and ten insurance departments were represented.

Cmsr. Considine gave the 2021 unaudited financial report through June 30, 2021, showing a revenue of \$783,717.87 and expenses of \$501,181.84 for an excess of \$282,536.03 heading into this meeting.

AUDIT COMMITTEE REPORT

Rep. Lehman turned it over to CA Asm. Ken Cooley, NCOIL Vice President, to give the Audit Committee report. Asm Cooley noted that on Wednesday this week, we received the audits from Collins & Co. for both the NCOIL and Insurance Legislators Foundation (ILF) financial statements. Focusing first on NCOIL, the statement of financial position or balance sheet showed us with a 2020 balance, total liabilities and net assets of \$1,071,206 which was a gain over 2019, which was \$679,383. Net income for 2020 is \$351,337 compared to \$95,115, showing a strikingly strong financial position. Looking at the statement of cash flows, net increase in cash equivalents over 2020 is \$386,823. Asm. Cooley remarked that it is striking that we had such an outstanding 2020 notwithstanding COVID, which was also remarked upon by our auditor. It was noted that NCOIL had its funds in banks that exceeded the \$250,000 federally insured level, which was addressed by transferring \$350,000 to a third bank.

With respect to the ILF, everything was in order and no alarms were raised. It was stated by our auditor that in examining the books and records of NCOIL and in asking questions of staff and officers, that information was readily available, so NCOIL and ILF should continue its strong adherence to safe financial practice, including our president's practice of keeping all officers informed on significant financial transactions as a matter of routine, which was commended as an excellent organizational practice.

Hearing no questions or comments, upon a motion made by Rep. Rowland and seconded by Sen. Utke, the Committee voted without objection by way of a voice vote to accept the audits.

SPECIAL COMMITTEE ON RACE IN INSURANCE UNDERWRITING (COMMITTEE)

Rep. Lehman noted that the Committee held its fifth and final meeting and now sunsets pursuant to NCOIL bylaws. It has done a good job and has met its charges. There were three resolutions that came out of the Committee:

- Resolution Regarding the Use of Certain Rating Factors;
- Resolution Regarding the Use of Artificial Intelligence in Underwriting;
- Resolution Regarding Insurance Score Transparency.

The related work on all of these issues, broader than those which the Committee discussed, will keep the standing Committees busy as the issues continue to come up and will be assigned to the proper Committees moving forward.

Upon a motion made by Asm. Kevin Cahill (NY), NCOIL Treasurer, and seconded by Asm. Cooley, the Committee voted without objection by way of a voice vote to adopt the resolutions.

CONSENT CALENDAR

Rep. Lehman noted that the consent calendar includes committee reports including resolutions and model laws adopted and re-adopted therein, as well as ratification of decisions made and actions taken by the NCOIL Officers in the time between Executive Committee meetings.

The consent calendar included:

The Workers Compensation Insurance Committee re-adopted the Trucking/Messenger Courier Industries Workers' Comp Model Act, the Model Agreement Between Jurisdictions to Govern Coordination of Claims and Coverage, and the Model State Structured Settlement Protection Act (NSSTA/ NASP Compromise Model).

The Property & Casualty Insurance Committee re-adopted the Property/Casualty Flex-Rating Regulatory Improvement Model Act.

The Health Insurance & Long Term Care Issues Committee re-adopted the Employer-Sponsored Group Disability Model Act.

Ratification of Decisions Made & Actions Taken by the NCOIL Officers in time between Executive Committee Meetings.

Rep. Lehman asked if any Committee member wanted anything removed from the consent calendar. Hearing no such requests, upon a Motion made by Asm. Cooley and seconded by Sen. Utke, the Committee voted to adopt the consent calendar without objection by way of a voice vote.

OTHER SESSIONS

Rep. Lehman began by thanking Massachusetts Governor Charlie Baker for delivering the Keynote Address and for taking questions, even when his staff said he didn't have enough time. Rep. Lehman remarked that he liked that Governor Baker was very supportive of state regulation.

Rep. Lehman was pleased that the Institutes Griffith Foundation Legislator Luncheon had returned and remarked that it was a great session on surplus lines insurers. Rep. Lehman thanked the speaker, Dr. Brad Karl, for his presentation.

There were three interesting and timely General Sessions:

- "Developments in Medical Treatment for Obesity";

- “The Delicate Balance of Legislative Oversight” which is very timely with what is currently going on in our states with COVID legislation; and,
- “Cyber Insurance: The Challenges of Ransomware and Beyond,” which is the tip of the iceberg, as it will continue to be an issue that we will deal with, especially with challenges of ransomware.

Rep. Lehman also thanked the NAIC representatives that were here – Idaho Insurance Director and NAIC President-Elect Dean Cameron; Massachusetts Insurance Commissioner Gary Anderson; Mississippi Insurance Commissioner Mike Chaney; and Oklahoma Insurance Commissioner Glen Mulready. There was a very good dialogue with them, and it is always good to work with partners on the regulatory side.

OTHER BUSINESS

Pursuant to NCOIL bylaws, the chair of the committee responsible for insurance legislation in each legislative house of each Contributing State shall automatically, by the nature of his or her office be a member of the Executive Committee at his or her first meeting – such person must attend the meeting of the Executive Committee to qualify for such membership status. Of those eligible, CT Rep. Kerry Wood, DE Sen. Spiros Mantzavinos, MS Rep. Henry Zuber, and WI Sen. Mary Felzkowski, none were in present at the Executive Committee Meeting.

Rep. Lehman then introduced Teresa Casey, who on behalf of the Industry Education Council (IEC) offered two suggested topics for discussion for the upcoming NCOIL Annual Meeting agenda. They both reflect subjects that NCOIL has heard about in the past few days. One of them is on race in insurance issues, specifically addressing diversity in the insurance industry. IEC member Adam Kerns from Zurich North America (ZNA) has presented success that ZNA has had on recruiting from underserved communities. They have put 118 people into jobs at ZNA, and paid for training for people while they were in school. The IEC sees this as potentially scalable to the industry and also possibly of use in public sector settings.

The second topic is focused on long-term care insurance. The National Association of Insurance and Financial Advisors (NAIFA) believes that it is time to consider collaborative innovative solutions particularly as Washington state has undertaken a publicly administered long-term care program. The IEC wants to explore this topic as other states are considering similar legislation and the COVID pandemic has exposed further challenges in this area.

Rep. Lehman then presented a resolution for consideration in honor of Kentucky Senator Tom Buford. Sen. Buford came to many NCOIL meetings, and recently passed away. The resolution is sponsored by Rep. Lehman, KY Rep. Jared Carpenter, KY Rep. Joe Fischer, KY Rep. Deanna Frazier, KY Sen. Rick Girdler, KY Rep. Jim Gooch, KY Rep. Derek Lewis, KY Rep. Chad McCoy, KY Rep. Bart Rowland, and KY Rep. Steven Rudy.

Rep. Rowland remarked that he appreciates the Executive Committee considering this resolution in honor of Sen. Buford. Sen. Buford served for over 30 years in the Kentucky State Senate and he was Rep. Rowland’s co-chair of the Senate Banking and Insurance Committee for a period of time, although Rep. Rowland got to know Sen. Buford best through NCOIL. Sen. Buford was an extremely smart and witty man. Rep. Rowland remarked that everyone will miss

him not just as a legislator, but as a friend. He will make sure to communicate the resolution with Sen. Buford's family and friends.

Rep. Fischer also thanked the NCOIL Executive Committee for this Resolution. He remarked that Sen. Buford was a very productive legislator over the years. He became Chair of the Banking and Insurance Committee in 2000. Before that, he was able to cross party lines and pass a lot of legislation. He was a delightful person to be around and work with.

Upon a motion made by Rep. Rowland and seconded by Rep. Fischer, the Committee voted without objection by way of a voice to adopt the resolution.

ADJOURNMENT

There being no further business, upon a motion made by Sen. Utke and seconded by Asm. Cooley, the Committee adjourned at 1:00PM.