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Asm. Ken Cooley, CA  
President



Thomas B. Considine  
NCOIL CEO



Asm. Kevin Cahill, NY  
Vice President

## NCOIL Concludes Successful Summer Meeting in Jersey City, NJ

Manasquan, NJ – The National Council of Insurance Legislators (NCOIL), the nation’s premier legislator-led insurance public policy organization, concluded a successful 2022 Summer National Meeting (Meeting) on July 16<sup>th</sup> in Jersey City, NJ. In what was the organization’s second of three scheduled National Meetings for 2022, there were 325 registrants including 48 legislators from 26 states, 7 first-time attendee legislators from 6 states, and 12 Insurance Commissioners (or equivalent).

“NCOIL’s second meeting of 2022 kept the year’s strong momentum building. Outstanding turnout, many new and refreshed contacts, and sessions ensuring attendees more nuanced and informed perspectives as a takeaway all came together to put NCOIL on track for another very successful year,” said NCOIL President Ken Cooley of the California State Assembly. “The work done in Jersey City by NCOIL’s member lawmakers sets up a very productive NCOIL Annual Meeting in New Orleans this November where several Model Laws are ripe for final adoption.”

“Now is a great time to be active in NCOIL,” Cooley continued. “Its continued growth and prominence as the premier legislative policy body supporting state insurance lawmakers is impressive. Since NCOIL is where broad-based give and take on key insurance topics happens in front of the nation’s insurance lawmaker and policy leaders, it’s no wonder in Jersey City we had a record number of Insurance Commissioners attend, strengthening our relationship with the NAIC.”

NCOIL CEO, Commissioner Tom Considine said, “It was great to have our Summer National Meeting in Jersey City, right in NCOIL’s home state.” Considine continued, “We had yet another extremely productive Meeting in terms of serving as an educational forum for legislators and interested parties.”

“Additionally, this meeting made clear just how truly bipartisan and representative NCOIL has become,” Considine added. “At various times throughout the meeting there was an equal balance of members from both parties as well as a mix of male and female elected officials representing various regions and racial diversity.”

## NCOIL Concludes Successful Summer Meeting in Jersey City, NJ (cont'd)

After the Meeting began with the traditional Welcome Breakfast, the focus shifted to the latest installment of the NCOIL Innovation Series, titled "Private Equity's Influence and Impact on the Insurance Industry". The panelists were Leslie Scism, News Editor at the Wall Street Journal; Jeff Hooke, Senior Lecturer at the John Hopkins Carey Business School; Jamal Hagler, Vice President of Research at the American Investment Council; and David Burton, Senior Fellow at the Heritage Foundation.

The Joint State-Federal Relations & International Insurance Issues Committee, chaired by MI Representative Brenda Carter, Vice Chair of the Committee, followed, and continued discussions regarding the federal 340B drug pricing program. The Committee also heard from ID Insurance Director and NAIC President Dean Cameron, and MA Insurance Commissioner Gary Anderson, Chair of the NAIC International Insurance Relations (G) Committee regarding international insurance issues of legislative and regulatory concern. Carter Harrison, Director of State Regulatory & Legislative Affairs at the Alzheimer's Association, also delivered a presentation on developments surrounding new treatments for Alzheimer's disease.

The Institutes Griffith Foundation then hosted a legislator luncheon during which Ben Eikey, State Training and Communications Manager for The Carl Levin Center for Oversight & Democracy, and John Huff, CEO of the Association of Bermuda Insurers & Reinsurers (ABIR) and former NAIC President and MO Insurance Director spoke about legislative oversight and its role in our system.

The Health Insurance & Long-Term Care Issues Committee, chaired by NY Assemblywoman Pamela Hunter, met next and heard from Randy Pate, Founder of Randolph Pate Advisors and former Director of the Center for Consumer Information and Insurance Oversight (CCIIO), who spoke about the development of a legislative toolkit focusing on developments in medical coverage for obesity. The Committee also heard a presentation from Chris Koller, President of the Milbank Memorial Fund and former RI Health Insurance Commissioner, on using health insurance rate review authority to constrain health care costs. Miranda Motter, Senior VP of State Affairs and Policy at American's Health Insurance Plans (AHIP) briefed the Committee on the implications of the end of the federal Public Health Emergency, and Jeff Wu, Deputy Director for Policy at CCIIO spoke about CCIIO's healthcare marketplace priorities.

Thursday ended with the Financial Services & Multi-Lines Issues Committee meeting, chaired by LA Representative Edmond Jordan. The Committee continued discussion on the NCOIL Insurance Regulatory Sandbox Model Act, sponsored by Rep. Bart Rowland (KY) and co-sponsored by Rep. Wendi Thomas (PA) and Rep. Tom Oliverson, M.D. (TX), NCOIL Treasurer. NC Insurance Commissioner Mike Causey briefed the Committee on his Department's efforts fighting insurance fraud. The Committee also heard presentations from John Feeney, VP of External Affairs at Prudential Financial on developments in electronic delivery of insurance documents, and Neil Spector, President of Underwriting Solutions at Verisk, on trends in the use of artificial intelligence in insurance underwriting.

Friday began with the Workers' Compensation Insurance Committee, chaired by OH Senator Bob Hackett. The Committee heard from Jeff Eddinger, Executive Director of Regulatory Business Management at the National Council on Compensation Insurance (NCCI), who delivered a "State of the Line" presentation focused on the status of and trends in the workers' compensation insurance marketplace. John Logue, Chief of Strategic Direction at the Ohio Bureau of Workers' Compensation, briefed the Committee on the structure of the Ohio workers' compensation system, and Michael Dworsky, Ph.D., Senior Economist at RAND, delivered a presentation on the effects of COVID-19 presumptions on the workers' compensation insurance system. The Committee also adopted amendments to the NCOIL Model State Structured Settlement Protection Act, sponsored by MN Senator Paul Utke and co-sponsored by KY Representative Bart Rowland.

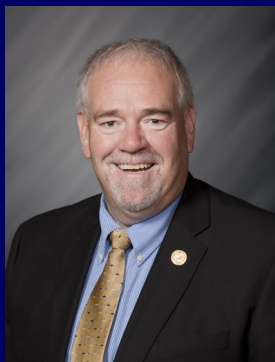
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Rep. Tom Oliverson MD, TX  
Treasurer



Rep. Deborah Ferguson DDS  
AR  
Secretary



Rep. Matt Lehman, IN  
Immediate Past President



Sen. Jason Rapert, AR  
Immediate Past President

## Future NCOIL Meetings:

Annual 2022  
November 16—19  
New Orleans, LA  
Sheraton New Orleans  
Hotel

Spring 2023  
March 9 –12  
San Diego, CA  
The Westin San Diego  
Gas Lamp Quarter

Summer 2023  
July 19 –23  
Minneapolis, MN  
Marriot Minneapolis  
City Center

Annual 2023  
November 15 –18  
Columbus, OH  
Renaissance Columbus  
Downtown Hotel

## NCOIL Concludes Successful Summer Meeting in Jersey City, NJ (cont'd)

A special discussion on Federal Insurance Office (FIO) Priorities was then held during which FIO Director Steven Seitz spoke to attendees on important issues such as the status of the EU-U.S. and U.S.-UK Covered Agreements, and FIO's ongoing work in the areas of climate risk and cybersecurity. "We were honored to have Director Seitz join us at this meeting," stated Cooley. "While we may not always agree, it is important to have a working dialogue and relationship based on respect and trust."

A very productive NCOIL-NAIC Dialogue, chaired by TX Representative Tom Oliverson, M.D., NCOIL Treasurer and Vice Chair of the Committee, was then held which included an impressive lineup of NAIC representatives: NAIC President and ID Director Dean Cameron; AK Director Lori Wing-Heier; DE Commissioner Trinidad Navarro; GA Commissioner John King; MD Commissioner Kathleen Birrane; NJ Commissioner Marlene Caride; OK Commissioner Glen Mulready; and PA Acting Commissioner Michael Humphreys.

The Dialogue included discussions regarding developments in private equity's role in the insurance marketplace; the NAIC's Employee Retirement Income Security Act (ERISA) Working Group; the Pennsylvania Department of Insurance initiative to promote health equity; and the work of the new NAIC Innovation Cybersecurity and Technology (H) Committee.

Matthew Platkin, New Jersey Attorney General, delivered an insightful Keynote Address at the luncheon. Attorney General Platkin discussed how his office, in addition to the Murphy Administration overall, works with leaders in the New Jersey legislature to ensure that the state's priorities are met. Attorney General Platkin also addressed how his office is dealing with various issues in the state of New Jersey as it emerges from the pandemic.

The Luncheon was followed by a general session titled "Biomarker Testing and Precision Medicine: Connecting Patients with the Right Treatment at the Right Time." Panelists were: Tiffany Westrich-Robertson, CEO & Co-Founder of the International Foundation for Autoimmune & Autoinflammatory Arthritis; Hilary Gee Goeckner, Senior State & Local Campaigns Manager at Access to Care American Cancer Society Action Network, Inc.; Alyssa Schatz, Senior Director of Policy & Advocacy at the National Comprehensive Cancer Network; and Miranda Motter of AHIP. This session was moderated by NY Asw. Pam Hunter who announced her intent to start developing NY A09149, which requires health insurance coverage of biomarker testing in certain circumstances, into a similar NCOIL model law.

The Life Insurance & Financial Planning Committee met next and adopted three Resolutions: Resolution Identifying Certain Enhanced Cash Surrender Value Endorsements as Violating the Standard Nonforfeiture Law, sponsored by IN Senator Travis Holdman and co-sponsored by Rep. Oliverson; Resolution in Support of Position Statement Recognizing Congressional Consent to the Interstate Insurance Product Regulation Compact (IIPRC), sponsored by IN Representative Matt Lehman, NCOIL Immediate Past President, and AR Representative Deborah Ferguson, NCOIL Secretary; and Resolution Regarding Recruitment, Retention, and Diversity within the Life Insurance Agent Profession, sponsored by Asw. Hunter.

The Committee also continued discussion on the NCOIL Paid Family Medical Leave (PFML) Insurance Model Act, sponsored by Sen. Utke and co-sponsored by Rep. Ferguson.

Acting Chair of the Committee, SC Representative Carl Anderson said, "It was a pleasure to preside over the Life Insurance and Financial Planning Committee meeting. We had an extremely productive meeting with the adoption of three Resolutions, and I was glad to see the Committee further discuss the NCOIL Paid Family Medical Leave Model Act which may be adopted as soon as November for states to use as guidance on such an important issue."

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## Future NCOIL Meetings:

Spring 2024  
April 11-14  
Nashville, TN  
Sheraton Grand  
Nashville Downtown

Summer 2024  
July 17-20  
Costa Mesa, CA  
Westin South Coast  
Plaza

Annual 2024  
November 21-24  
San Antonio, TX  
The Westin Riverwalk

Spring 2025  
TBD

Summer 2025  
TBD

Annual 2025  
November 10-15  
Atlanta, GA  
The Whitley Hotel

## NCOIL Concludes Successful Summer Meeting in Jersey City, NJ (cont'd)

Saturday began with a Legislator Breakfast hosted by The Institutes Griffith Foundation during which Martin F. Grace, Ph.D., Professor of Risk at the Fox School of Business at Temple University delivered a presentation titled “Exploring the Hallmarks of the Insurance System and its Stabilizing Effect in Troubling Economic Times.”

Following the breakfast, the Property & Casualty Insurance Committee, chaired by KY Representative Bart Rowland, met and continued discussion on the development of three model laws: the NCOIL Delivery Network Company (DNC) Insurance Model Act, sponsored by Rep. Rowland; the NCOIL Insurance Underwriting Transparency Model Act, sponsored by Rep. Lehman; and the NCOIL Dog Breed Insurance Underwriting Study & Breed Protection Model Act, sponsored by NY Asm. Kevin Cahill, NCOIL Vice President, and co-sponsored by CT Rep. Tammy Nuccio.

The Committee also heard a presentation from Robin Westcott of the American Association of Insurance Services (AAIS) on North Dakota’s efforts to use blockchain technology to lower the uninsured motorist population; and re-adopted five Model Laws: the NCOIL Auto Insurance Fraud Model Act; the NCOIL Asbestos Bankruptcy Trust Claims Transparency Model Act; the NCOIL Certificates of Insurance Model Act; the NCOIL Travel Insurance Model Act; and the NCOIL Model Act Regarding Use of Insurance Binders as Evidence of Coverage Model Act.

Another general session followed titled “Social Inflation’: Fact or Fiction?” The Panelists were: Victor Schwartz, Esq., Partner, Public Policy Group, Shook, Hardy & Bacon, L.L.P.; Kenneth M. Trombly, Esq., Trombly & Singer, PLLC; Jim Whittle, VP, Liability & Counsel at the American Property Casualty Insurance Association (APCIA); Peter Kochenburger, Associate Clinical Professor of Law at the University of Connecticut School of Law; and Tony Cotto, Director of Auto and Underwriting Policy at the National Association of Mutual Insurance Companies (NAMIC).

The Summer Meeting concluded Saturday afternoon with the meeting of the Executive Committee, which adopted a Resolution in Honor of Representative Warren Kitzmiller (VT), who passed away earlier this month.

“Rep. Kitzmiller was always a pleasure to work with, and he truly embodied the non-partisan spirit of NCOIL. We will all miss him deeply,” stated Rep. Lehman.

NJ Senator Nellie Pou, Chair of the NJ Senate Commerce Committee, said “I really enjoyed attending the NCOIL Summer Meeting, and I was thrilled to show off the great state of New Jersey. We had many productive and timely discussions, and I look forward to bringing the information that I learned back to my colleagues in the legislature.”

“As honored as I am to serve as NCOIL President, I’m very mindful it is our full membership that is the secret to why the influence and prestige of NCOIL continues to grow and advance. NCOIL’s participating lawmakers are what makes superb years like this one possible and they are the key to sustaining our American tradition of state-based insurance regulation in a healthy state,” said Cooley. “I’m looking forward to meeting again in New Orleans in November where we can continue this momentum and the thoughtful work which will support ongoing success and growth.”

Committee meeting minutes will be posted soon at [www.ncoil.org](http://www.ncoil.org).

The 2022 NCOIL Annual Meeting is scheduled to take place in New Orleans, LA at the Sheraton New Orleans from November 16<sup>th</sup> to 19<sup>th</sup>. Registration will open in September.

# An Uncertain Future Plagues the National Flood Program

## *IEC Perspective\**

**By Lauren G. Pachman, Counsel & Director of Regulatory Affairs, National Association of Professional Insurance Agents (PIA National)**

In October 2021, the National Flood Insurance Program (NFIP) started implementing Risk Rating (RR) 2.0, a comprehensive overhaul of its risk rating methodology. PIA strongly supports RR 2.0, which calculates a specific property's rate by using a greater number of data points and substantially more granular data to obtain prices that more accurately reflect a property's risk level. RR 2.0 offers the NFIP a chance to achieve solvency and gives policyholders reliable information about their flood risk. PIA hopes better information will encourage consumers to learn more about their risk, mitigate where possible, and purchase adequate flood insurance.

As our independent agent members have gained experience using RR 2.0, PIA has asked the Federal Emergency Management Agency (FEMA), which oversees the NFIP, to provide more information about how the new rating factors work together in RR 2.0. While FEMA now offers more detail than they did months ago, their materials would have been more valuable to agents before RR 2.0 was implemented. Even now, FEMA's resources often answer one question while raising three others.

We continue to hear about the application of mitigation credits in RR 2.0 from agents concerned about the lack of transparency. In general, agents have concluded the old rating system gave consumers bigger discounts for investing in mitigation than the new system does. Many policyholders invest in qualifying mitigation efforts because they expect those efforts to pay for themselves within a couple of years of lower annual premiums. Some now find they will need to own their homes for another decade before their investment pays off—if it ever does. Because of our members' experiences, PIA supports the bipartisan Flood Insurance Pricing Transparency Act, which would require FEMA to provide substantially greater rate transparency around RR 2.0.

In addition to increased regulatory transparency, the NFIP must be reauthorized, and soon. The program provides critical support to flood-prone areas nationwide, but its future is in perpetual jeopardy. In 2012, Congress reauthorized the NFIP for five years, which would end on September 30, 2017. When that expiration date approached, lawmakers could not agree to terms for a long-term reauthorization. Since September 2017, Congress has extended the NFIP more than 20 times. Pursuant to its most recent extension, absent Congressional action, the NFIP will expire on September 30, 2022, in the middle of the Atlantic hurricane season.

Every short-term extension brings with it the risk that the program will lapse. When the NFIP lapses, consumers cannot renew existing policies or finalize the purchase of covered properties. Claims may be paid on in-force policies, but ongoing real estate transactions may be disrupted, especially if those transactions involve property in a mandatory purchase area, where federal law requires properties with federally backed mortgages to carry flood insurance. Plus, if a loss occurs during a lapse, some claims may not be processed until the program is reauthorized. Prior NFIP lapses are estimated to have disrupted over 1,000 home sales per day, and, of course, the longer the lapse, the greater the disruption.

The endless short-term extensions over the last five years have been extremely disruptive for everyone associated with the NFIP. Even if the program does not lapse, every actor in the flood insurance industry, including state floodplain managers and the federal government, incurs costs in preparing for a lapse when another expiration date approaches. Agents, carriers, vendors, lenders, and state and federal regulators all develop contingency plans for a lapse, and all those contingency plans cost money. The entire flood insurance industry engages in a tremendous outlay of human and capital resources before we know whether a lapse will occur and regardless of whether one comes to pass. Only the long-term reauthorization of the NFIP can avoid this wasteful cycle of short-term extensions and avoidable lapse preparations. The NFIP's effectiveness depends on certainty.

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\*This column is a submission of the Industry Education Council (IEC) and reflects the IEC's perspective on the issue(s) discussed. The views, thoughts, and opinions expressed in the column do not necessarily reflect those of NCOIL.

**REGISTRATION IS OPEN FOR THE FIRST ANNUAL NCOIL OPEN  
GOLF OUTING TO BENEFIT THE ILF SCHOLARSHIP FUND**



NCOIL is pleased to announce the first annual NCOIL Open Golf Outing to benefit the Insurance Legislators Foundation (ILF) scholarship fund. The event will take place on November 16th at the English Turn Country Club in New Orleans, LA immediately preceding the 2022 NCOIL Annual Meeting. The format will be a scramble shotgun starting at 12:00 PM CT.

*For registration information please click [here](#)*

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**Reminder that Contributing States are eligible for two  
legislator stipends per National Meeting to help  
underwrite the cost of participating.  
Click below for more information**

**Please contact Pat Gilbert at [pgilbert@ncoil.org](mailto:pgilbert@ncoil.org) or call  
the NCOIL office at 732-201-4133 with any questions.**

**LEGISLATOR STIPENDS NOW AVAILABLE  
FOR CONTRIBUTING STATES**

**CLICK HERE FOR MORE INFORMATION**

## **NCOIL Adopts Resolution Identifying Certain Enhanced Cash Surrender Value Endorsements as Violating the Standard Nonforfeiture Law**

Manasquan, NJ – During the recently concluded 2022 National Council of Insurance Legislators (NCOIL) Summer National Meeting in Jersey City, NJ, the organization unanimously adopted a Resolution Identifying Certain Enhanced Cash Surrender Value Endorsements As Violating The Standard Nonforfeiture Law (Resolution). The Resolution was sponsored by Indiana Senator Travis Holdman, former NCOIL President, and co-sponsored by Texas Representative Tom Oliverson, M.D., NCOIL Treasurer.

The Resolution is in response to certain life insurers disregarding the Standard Nonforfeiture Law’s “smoothness” requirement by offering “enhanced cash surrender value endorsements”, which aim to incentivize consumers to terminate their policies in exchange for large increases in cash surrender value. The Standard Nonforfeiture Law’s “smoothness requirement” prohibits sharp increases in cash values and makes illegal cash surrender benefits that are discontinuous in nature and available only during certain windows of time.

At both the 2021 NCOIL Fall Meeting and 2022 NCOIL Spring Meeting, Sen. Holdman had raised this issue during the NCOIL-NAIC Dialogue, a meeting during which NCOIL legislators discuss with attending Insurance Commissioners (or equivalent) timely and important insurance public policy issues. The issue was further discussed during an interim Zoom meeting of the NCOIL Life Insurance & Financial Planning Committee in June, during which former Illinois Insurance Director Nat Shapo, on behalf of the Life Insurance Settlement Association (LISA), and the American Council of Life Insurers (ACLI) offered each organization’s respective views on enhanced cash surrender value endorsements.

Sen. Holdman stated, “Upholding the rule of law is very important to me, and the scenarios that were presented to me throughout the past several months seem to be a clear violation of statutory law. In addition to working on this issue with NCOIL, I’ve been communicating with my insurance department, and I look forward to this Resolution being used as a tool to resolve this issue in my home state and across the country.”

The Resolution notes that certain limited time, enhanced cash surrender value offers mimic life settlements, but the carriers offering them do not follow the consumer protection life settlement statutes created by legislators to protect policyholders offered limited time, big cash incentives to give up their policies.

The Resolution also makes clear that that there are two similar types of products, but only one of which is the target of the Resolution. That wholly different product—never asserted to be in violation of the insurance code and thus not objectionable to NCOIL—has the same “enhanced cash surrender value” name, and is a common rider offered at policy issuance, but doesn’t consist of a limited time, spiked offer to terminate the policy. Instead, it’s a product designed to support the persistence, rather than the termination, of corporate owned policies due to the tax benefits of treating the surrender value as an asset.

Rep. Oliverson said, “I’m glad that Senator Holdman brought this issue to NCOIL’s attention, and I’m proud to serve as co-sponsor of the Resolution. I share Senator Holdman’s passion for upholding the rule of law and I’m pleased that NCOIL took a position on this for states to consider using as guidance.”

“Kudos to Senator Holdman and Representative Oliverson, and everyone else involved, for their leadership on this very important issue,” stated Commissioner Tom Considine, NCOIL CEO. “This issue clearly struck a chord with the member legislators of NCOIL, and I am pleased that the organization took a stand to ensure that the law is followed and that consumers are protected.”

*Cont’d on Page 8*

## NCOIL Adopts Resolution Identifying Certain Enhanced Cash Surrender Value Endorsements as Violating the Standard Nonforfeiture Law (cont'd)

"The process that led to the adoption of this Resolution displayed NCOIL at its best," stated California Assemblyman Ken Cooley, NCOIL President. "An issue was identified, thoroughly discussed, and dealt with in a fair and diligent manner. I'm also proud that the Resolution reinforces the importance of legislative oversight in our system of government. In this instance, it is critical that legislators exercise oversight authority to ensure that regulators are approving products authorized by statute."

"A key part of NCOIL's mission is to ensure that consumers are protected," Cooley continued. "This Resolution, and its unanimous support, shows that NCOIL seeks out and addresses issues consistent with that mission."

A full copy of the resolution appears [here](#)

### NCOIL One on One

NCOIL One on One Interview with South Carolina Representative Carl Anderson is out now, click on the link [here](#) to check it out!

If you haven't had a chance to watch interviews with IN Rep. Matt Lehman, NY Asw. Pam Hunter, OH Sen. Bob Hackett, AR Rep. Deborah Ferguson DDS, ND Sen. Jerry Klein, LA Rep. Edmond Jordan, CA Asm. Ken Cooley, TX Rep. Tom Oliverson MD, NV Asw. Maggie Carlton, MN Sen. Paul Utke, MI Rep. Brenda Carter, and WV Del. Steve Westfall please visit our YouTube channel [here](#).

Thank you to everyone who has participated so far!



### Don't Miss the NCOIL YouTube Channel: Subscribe Today

Weren't able to attend our past meetings? Good news— you can visit our YouTube channel for recordings of past meetings. Prior national meeting sessions and interim committee meetings are posted on our YouTube channel now.

Visit the link below to subscribe and keep up to date on all things NCOIL!

<https://www.youtube.com/channel/UCe09Z77z4q6HG1kv3fDG7Bg>