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Capital

O By Will Melofchik – NCOIL General Counsel

r Greetings -

n Welcome to the latest installment of Capital Corner, a column that aims

e to update you on some of the issues that NCOIL is following. Below are some of the issues that NCOIL will be discussing at the upcoming NCOIL Annual Meeting and will be monitoring throughout 2023.

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Examining the Impact of Wildfire Risk on the Insurance Market

The reach and severity of wildfires in the U.S. has grown dramatically in the past several years. Some of the numbers surrounding that reality are truly staggering. By 2021, the five-year average of acres burned by wildfires roughly doubled from what it was in the early 1990s¹. In 2021 alone, 58,985 wildfires burned 7,125,643 acres². The insurance numbers associated with that increase in activity are equally staggering. Of the insured wildfire losses paid by the insurance industry since 1950, 70% have occurred since 2015³. In 2017 and 2018 combined, home insurers' underwriting losses in California reached an estimated \$20 billion, more than double their profits from that line of business since the late 1990s⁴.

In light of those numbers, it is not surprising that policyholders have experienced some problems. While homeowners insurance pays for losses and damage to a property in the case of covered events, destruction and damage caused by wildfire is typically, but not always, included in homeowner insurance policies⁵. And, because of the increasing risk of wildfires, many homeowners living in communities at high-risk are facing steep increases in the cost of their homeowners insurance policies if they can find coverage that includes wildfire risks at all⁶.

¹Congressional Budget Office, [Wildfires](#) (Jun. 2022)

²National Interagency Coordination Center, [Wildland Fire Summary and Statistics Annual Report 2021](#) (Dec. 2021).

³AON, [Wildfire Risk in the United States: How Climate Change and Other Variables are Enhancing the Risk](#) (2021).

⁴Milliman, [Trial by Wildfire: Will Efforts to Fix Home Insurance in California Stand the Test of Time?](#) (Sep. 29, 2020).

⁵Progressive, [Does Homeowners Insurance Cover Wildfires?](#) (Accessed Sep. 8, 2022).

⁶<https://financialservices.house.gov/uploadedfiles/hhrg-117-ba04-20220922-sd002-u1.pdf>



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Capital Corner (cont'd)

In the past, when other catastrophic disasters, such as hurricanes and terrorist attacks, have resulted in a lack of affordable insurance coverage, both states and the federal government have intervened to protect consumers and encourage the supply of insurance⁷. Indeed, just last week, California became the first state in the nation to require insurance premium discounts for owners of homes and businesses that are made safer from wildfires⁸. The new regulations “require insurance companies to submit new rate filings incorporating wildfire safety standards” created by the CA Department of Insurance, “and to establish a process for releasing wildfire risk determinations to residents and businesses within 180 days.”⁹ The regulation also requires insurance companies to provide consumers with their property’s “wildfire risk score” and creates a right to appeal that score¹⁰.

In 2018, NCOIL discussed proposed amendments to its Model State Uniform Building Code that were similar to the above-mentioned California regulations. The amendments would have required “property insurance companies to provide a premium discount or insurance rate reduction to any owner who builds or retrofits a new insurable property if the insurable property is certified as being constructed in accordance with the FORTIFIED Home High Wind and Hail Standards as may from time to time be adopted by the Institute for Business and Home Safety or a successor entity.”¹¹ Those amendments were ultimately withdrawn but given the significant increase in natural disasters of all kinds since 2018, it will be interesting to see if someone now steps forward at NCOIL with a similar proposal.

At the upcoming Annual Meeting in New Orleans, a general session will be held titled “Examining the Impact of Wildfire Risk on the Insurance Market.” Attendees will hear from:

- The Honorable Jon Pike – Utah Insurance Commissioner
- Roy Wright, President & CEO - IIBHS
- Amy Bach, Executive Director – United Policyholders; and
- Karen Collins, Assistant VP of Personal Lines – American Property Casualty Insurance Association (APCIA)

Please submit any thoughts or comments on this issue to wmelofchik@ncoil.org.

What’s it Going to Cost Me? – A Discussion on Hospital Price Transparency

Hospital price transparency helps consumers know the cost of a hospital item or service before receiving it. Such transparency has never been more important as high and rising health care prices are the biggest driver of health care spending in the U.S.¹² Efforts to improve hospital price transparency aim to empower consumers, increase competition, and apply downward pressure on the prices of medical services.

In November of 2019, the U.S. Department of Health and Human Services (HHS) finalized a rule requiring hospitals to “establish, update, and make public a list of all standard charges for all items and services” in a form and manner specified in rule¹³. However, hospitals have been very slow to comply with the rule since it went into effect in January, 2021. One study found that only 6% of facilities covered by the rule were totally compliant in the first six months it went into effect¹⁴.

As compliance with the federal rule lags, some states and cities have stepped forward. [Colorado](#) passed legislation that prohibits hospitals or collection agencies from collecting unpaid patient bills if the facility isn’t in compliance with federal transparency rules. In September, a [New York City Council Member announced](#) plans to introduce bills that will add a municipal enforcement mechanism to the federal regulation. Legislation has been passed in [Texas](#) and introduced in [Pennsylvania](#) that would also require hospitals to post a list online of standard charges for each item and service it provides.

Cont’d on Page 3

⁷ Id.

⁸ <https://www.insurance.ca.gov/0400-news/0100-press-releases/2022/release076-2022.cfm>

⁹ Id.

¹⁰ Id.

¹¹ <https://33afce.p3cdn2.secureserver.net/wp-content/uploads/2018/03/Atlanta-PC-Minutes-3-13-18.pdf>

¹² <https://www.healthaffairs.org/doi/10.1377/hlthaff.2018.05144>

¹³ <https://www.federalregister.gov/documents/2019/11/27/2019-24931/medicare-and-medicaid-programs-cy-2020-hospital-outpatient-pps-policy-changes-and-payment-rates-and>

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

Capital Corner (cont'd)

At the upcoming Annual Meeting in New Orleans, a general session will be held titled “What’s it Going to Cost me? – A Discussion on Hospital Price Transparency.” Attendees will hear from:

- Terrance Cunningham, JD, Director of Administrative Simplification Policy – American Hospital Association (AHA)
- David Balat, Director of Right on Healthcare – Texas Public Policy Foundation
- Maureen Hensley-Quinn, Senior Program Director of Coverage, Cost & Value – National Academy for State Health Policy (NASHP); and
- Cynthia A. Fisher, Founder & Chairman – PatientRightsAdvocate.org

Moreover, Texas Representative Tom Oliverson, M.D., NCOIL Treasurer, a sponsor of the aforementioned Texas law, has expressed interest in developing an NCOIL hospital price transparency model law. It is likely that a first draft of the Model will be introduced and discussed at the 2023 Spring Meeting in San Diego, CA.

Please submit any thoughts or comments on this issue to wmelofchik@ncoil.org.

Retention and Recruitment of Insurance Talent

It is fair to say that the insurance industry is facing a talent crisis. Almost 500,000 insurance employees will retire soon, and a recent survey found that eight in 10 millennials have limited knowledge of insurance career opportunities¹⁵. The COVID-19 pandemic certainly did nothing to help this crisis, as studies show that older workers are more likely to retire early rather than continue working through hardship, such as job loss or a pandemic¹⁶. Indeed, in 2021 the financial services sector recorded the highest average monthly retirements in more than a decade¹⁷.

The insurance talent crisis facing the life insurance agent profession specifically was discussed at the NCOIL Summer Meeting this past July, culminating in the adoption of a Resolution Regarding Recruitment, Retention, and Diversity within the Life Insurance Agent Profession, sponsored by NY Asw. Pam Hunter, Chair of the NCOIL Health Insurance & Long Term Care Issues Committee¹⁸. The Resolution noted that insurance talent crisis is “exacerbated by the growing need for financial professionals who serve the Black/African American, Hispanic/Latino and Asian communities, and who come from those communities, as well as the need for greater gender diversity in all communities¹⁹.”

At the upcoming meeting of the Financial Services & Multi-Lines Issues Committee in New Orleans, [Noelle Codispoti](#), CPCU, ARM, of the National Alliance for Insurance Education and Research, will lead a discussion on ways to improve the retention and recruitment of insurance talent. The Committee will continue discussions on these important issues at the NCOIL 2023 Spring Meeting where Jelani Fenton, [Founder & CEO of Safari](#), will build upon Noelle’s presentation.

Please submit any thoughts or comments on this issue, as well suggested speakers to supplement Noelle and Jelani’s presentations, to wmelofchik@ncoil.org.

We hope to see you in New Orleans, and hear from you in the interim.

-Will

¹⁴<https://jamanetwork.com/journals/jama/article-abstract/2792987>

¹⁵<https://www.propertycasualty360.com/2022/09/10/how-to-reduce-the-insurance-industry-talent-gap/?slreturn=20220930192534>

¹⁶<https://insuranceneWSnet.com/innarticle/insurance-industry-facing-massive-talent-shortage>

¹⁷<https://insuranceneWSnet.com/innarticle/insurance-industry-facing-massive-talent-shortage>

¹⁸<https://33afce.p3cdn2.secureserver.net/wp-content/uploads/2022/07/Life-Agent-Reso-FINAL-7-16-22.pdf>

¹⁹Id.

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
April 24-27
Charleston, SC
Francis Marion Hotel

Summer 2025
TBD

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

NCOIL Travel Insurance Model Act - Legislative Changes Continue to Impact Travel Industry *IEC Perspective**

By: Greg Mitchell and Nikki Parrott

Legislative initiatives continue to affect the travel insurance regulatory landscape. In 2012, the National Council of Insurance Legislators (“NCOIL”) adopted the Limited Lines Model, which addressed licensing for the sale of travel insurance. This Model has now been adopted in the vast majority of states. Following the Limited Lines Model, travel insurance industry participants indicated a need to develop a model law based on travel insurance products not fitting into standard interpretations of existing insurance laws and regulations. In response, in early 2017, NCOIL adopted the NCOIL Travel Insurance Model Act (“NCOIL Model”), which was intended to provide a comprehensive framework for regulation of the travel insurance industry.

The NCOIL Model allows travel insurance industry participants to gain additional clarity in the regulation of travel insurance. The NCOIL Model incorporates the licensing requirements from the 2012 Limited Lines Model—which addressed only licensing—and added provisions governing sales practices, form and rate filing, allocation of premium tax, consumer protections and travel administrators. The NCOIL Model prohibits the use of “opt-out” or “negative option” processes that require the purchaser to take an affirmative action (such as unchecking a box) to decline coverage when purchasing a trip, vacation rental, etc.

The NCOIL Model also permits the sale of travel protection plans, which is the bundling of travel insurance products with non-insurance services and/or cancellation fee waivers, provided that a) the consumer is made aware that the product contains insurance and non-insurance components and b) the consumer is provided with i) the travel insurance disclosures required under state law; ii) the contact information for persons providing travel assistance services and cancellation fee waivers, as applicable; and iii) an opportunity for the consumer to obtain additional information regarding the features and pricing of each component of the travel protection plan. Significantly, the NCOIL Model preserves the unique distribution channels whereby travel protection products are sold, including airlines, cruise lines, tour operators and vacation rental companies, among others, that have developed to meet consumer demand, while protecting consumers and fostering an opportunity for compliance through a clear regulatory structure.

In addition to the NCOIL Model, the National Association of Insurance Commissioners (“NAIC”) Travel Insurance Working Group developed its own model for the regulation of travel insurance, utilizing the NCOIL Model as a starting point. Like the NCOIL Model, the NAIC’s Travel Insurance Model Act (“NAIC Model”) provides a thorough regulatory framework for the travel insurance industry. The NAIC Model was formally finalized and adopted by the NAIC in 2018. To date, versions of the NCOIL and NAIC Model Acts have been adopted in over twenty states, including: Alabama, Arizona, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Michigan, Mississippi, Missouri, Nebraska, New Hampshire, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah and Virginia. Legislative efforts to adopt and implement the comprehensive NCOIL and NAIC Models are ongoing in other states.

All entities selling, soliciting or negotiating, as well as those only offering or disseminating travel insurance (including airlines, tour operators, travel agencies, vacation rental companies, travel assistance companies and other distribution participants), are affected by any adopted legislation. Considering these developments, entities that may have some role with travel insurance/travel protection programs should stay informed of these legislative changes and work to review the associated travel insurance programs for any compliance requirements and determine if corrective measures are required.

*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.

NCOIL Staff to Participate in “No-Shave November” for the Seventh Consecutive Year

Belmar, NJ – The team at NCOIL’s National Headquarters had their last shave as they gear up for the fight against cancer by participating in “No-Shave November” for the seventh consecutive year.

"For the last seven years, the NCOIL staff have tossed aside their razors for the month of November, and this year, we are itching to do the same. As some of you know, I am a cancer survivor and sadly lost my mom to this disease. The fight against cancer has always been personally important" said Considine.



No-Shave November's mission is to raise funds for cancer research and treatment, and to educate the population about preventive measures. Starting with the surviving children of one father who died of cancer in November 2007, the movement has since spread around the globe. Participants put down their razors for the 30 days of November each year to join the fight against cancer. This year, NCOIL Support Services will make contributions to the Melanoma Research Foundation (MRF) and the Prostate Cancer Foundation (PCF).

The MRF is the leading melanoma community to transform melanoma from one of the deadliest cancers to one of the most treatable. Melanoma diagnoses are increasing at staggering rates, claiming more 7,000 American lives every year. It is the deadliest form of skin cancer. However, nine out of ten cases are considered to be preventable. The MCF’s mission is to eradicate melanoma by accelerating medical research while educating to and advocating for the melanoma community.

The PCF funds the world’s most promising research to improve the prevention, detection, and treatment of prostate cancer and ultimately save patients’ lives. Right now, one man dies every 17 minutes from prostate cancer in the United States. PCF’s goal is to end all deaths from prostate cancer by raising awareness and funding urgent cutting-edge research.

Melofchik said, “I am proud to say this is the seventh year that I will be participating in No-Shave November to benefit a very worthy cause. I am happy to do my part to help fight this disease that affects so many. Two years ago, one of my sisters was diagnosed with breast cancer. Luckily, she was able to courageously defeat it and is doing great with her family. This year, No-Shave November means even more to me and my family.”

The No-Shave November campaign has successfully raised millions of dollars to combat this disease. Every dollar raised brings us one step closer in our efforts to fund cancer research and education, help prevent the disease, and aid those fighting the battle. Each whisker grown allows us to embrace our hair, which many cancer patients lose during treatment.

More information on No-Shave November can be found at:

<https://no-shave.org/>

More information on the Melanoma Research Foundation can be found here:

<https://melanoma.org/>

More information on the Prostate Cancer Foundation can be found here:

<https://www.pcf.org/>

30 Day Materials and Registration Information for NCOIL Annual Meeting

Registration for the 2022 NCOIL Annual Meeting at the Sheraton New Orleans in New Orleans, LA from November 16th—19th is open.



See the meeting schedule on page 8 or view at the NCOIL website [here](#) along with the 30 Day Materials

[Click Here for Hotel Information](#)

**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 call the NCOIL office at 732-201-4133 with any questions.

**LEGISLATOR STIPENDS NOW AVAILABLE
FOR CONTRIBUTING STATES**

CLICK HERE FOR MORE INFORMATION

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](#)

NCOIL One on One

NCOIL One on One Interview with Oklahoma Representative Forrest Bennett 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, WV Del. Steve Westfall, SC Rep. Carl Anderson, NC Sen. Vickie Sawyer, and IN Sen. Travis Holdman 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>

2022 NCOIL Annual Meeting Schedule

WEDNESDAY, NOVEMBER 16TH

NCOIL First Annual Golf Outing to Benefit the ILF Scholarship Fund	12:00 PM	
Welcome Reception	6:00 PM	- 7:30 PM

THURSDAY, NOVEMBER 17TH

Welcome Breakfast	8:15 AM	- 9:45 AM
Networking Break	9:45 AM	- 10:00 AM
Health Insurance & Long Term Care Issues Committee	10:00 AM	- 11:30 AM
NCOIL Innovation Series	11:30AM	- 1:00 PM
The Institutes Griffith Foundation Legislator Luncheon	1:00 PM	- 2:00 PM
Workers' Compensation Insurance Committee	2:00 PM	- 3:15 PM
Networking Break	3:15 PM	- 3:30 PM
Life Insurance & Financial Planning Committee	3:30 PM	- 5:00 PM
Articles of Organization & Bylaws Revision Committee	5:00 PM	- 5:20 PM
Nominating Committee (Members Only)	5:20 PM	
CIP Member & Sponsor Reception	6:00 PM	- 7:00 PM

FRIDAY, NOVEMBER 18TH

Financial Services & Multi-Lines Issues Committee	9:00 AM	- 10:30 AM
Networking Break	10:30 AM	- 10:45 AM
NCOIL—NAIC Dialogue	10:45 AM	- 12:00 PM
Luncheon with Keynote Address	12:00 PM	- 1:30 PM
General Session	1:30 PM	- 2:45 PM
Networking Break	2:45 PM	- 3:00 PM
Property & Casualty Insurance Committee	3:00 PM	- 4:30 PM
Budget Committee	4:30 PM	- 4:50 PM
IEC Board Meeting	4:30 PM	- 5:15 PM

SATURDAY, NOVEMBER 19TH

Institutes Griffith Foundation Legislator Breakfast	7:45 AM	- 8:45 AM
General Session	8:45 AM	- 10:15 AM
Networking Break	10:15 AM	- 10:30 AM
Joint State-Federal Relations & International Insurance Issues Committee	10:30 AM	- 12:00 PM
Executive Committee	12:00 PM	- 12:30 PM