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NCOIL NEWSLETTER

Asm. Ken Cooley, CA
President

Thomas B. Considine
NCOIL CEO

Asm. Kevin Cahill, NY
Vice President

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NCOIL Releases 2022 Summer Meeting 30 Day Materials

The National Council of Insurance Legislators (NCOIL) released the 30-day materials for the 2022 Summer Meeting in Jersey City, New Jersey from July 13-16.

NCOIL CEO, Commissioner Tom Considine said, “With many interesting and timely topics on the agenda and an already strong turnout from legislators and industry alike, we look forward to productive and lively sessions. Overlooking the Hudson River and New York City Skyline, Jersey City is the perfect location for our Summer Meeting.”

Among the highlights for the Summer Meeting agenda are:

- The Joint State-Federal Relations and International Insurance Issues Committee will hear from Carter Harrison, Director of State Regulatory and Legislative Affairs at the Alzheimer’s Association regarding developments surrounding new treatments for Alzheimer’s disease.
- The Health Insurance and Long-Term Care Issues Committee will hear from Randy Pate, former Deputy Administrator and Director of the Center for Consumer Information and Insurance Oversight (CCIIO) at the Center for Medicare & Medicaid Services (CMS) who will present a legislative toolkit focused on developments in medical coverage for obesity. Preparations for and implications of the end of the federally-declared Public Health Emergency will also be discussed.
- The Financial Services & Multi-Lines Issues Committee will continue discussion on development of 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. The Committee will also hear a presentation from Neil Spector, President of Underwriting Solutions at Verisk, regarding trends in the use of artificial intelligence in insurance underwriting.
- The Workers’ Compensation Insurance Committee will hear the National Council on Compensation Insurance’s (NCCI) “State of the Line Presentation” which focuses on the status of and trends in the workers’ compensation insurance marketplace. The Committee will also discuss proposed amendments to the NCOIL Model State Structured Settlement Protection Act, sponsored by Sen. Paul Utke (MN) and co-sponsored by Rep. Bart Rowland (KY).

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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

Summer Meeting 30 Day Materials (cont'd)

- The Life Insurance & Financial Planning Committee will continue discussion on the NCOIL Paid Family Medical Leave (PFML) Model Act and will hear from Karen Melchert, Regional VP, State Relations - American Council of Life Insurers (ACLI), and Molly Weston Williamson, Senior Fellow – Center for American Progress. The Committee will also consider three Resolutions: a.) Resolution Identifying Certain Enhanced Cash Surrender Value Endorsements as Violating The Standard Nonforfeiture Law, sponsored by Sen. Travis Holdman (IN) and co-sponsored by Rep. Oliverson; b.) Resolution in Support of Position Statement Recognizing Congressional Consent to the Interstate Insurance Product Regulation Compact (IIPRC), sponsored by Rep. Deborah Ferguson, DDS (AR), NCOIL Secretary, and Rep. Matt Lehman (IN), NCOIL Immediate Past President; and c.) Resolution Regarding Recruitment, Retention, and Diversity within the Life Insurance Agent Profession, sponsored by Asw. Pam Hunter (NY).

- The Property & Casualty Insurance Committee will introduce and discuss the development of three Model Laws: a.) NCOIL Dog Breed Insurance Underwriting Study & Breed Protection Model Act, sponsored by Asm. Kevin Cahill (NY), NCOIL Vice President and co-sponsored by Rep. Tammy Nuccio (CT); b.) NCOIL Delivery Network Company (DNC) Insurance Model Act, sponsored by Rep. Rowland; and c.) NCOIL Insurance Underwriting Transparency Model Act, sponsored by Rep. Lehman.

- The NCOIL-NAIC Dialogue will discuss: developments in private equity's role in the insurance marketplace; the work of the NAIC's Employee Retirement Income Security Act (ERISA) (B) Working Group; and the Pennsylvania Department of Insurance initiative to promote equity by allowing insurers to collect race and ethnicity data. The committee will also hear updates on the work of the NAIC Special Committee on Race and Insurance, and the new NAIC Innovation, Cybersecurity, and Technology (H) Committee.

- Steven Seitz, Director of the Federal Insurance Office (FIO) will lead a special discussion on FIO priorities, and The Honorable Matthew J. Platkin, 62nd Attorney General of New Jersey, will deliver the Keynote Address during the luncheon.

- Three important and interesting general sessions will also be held: Private Equity's Influence and Impact on the Insurance Industry; Biomarker Testing and Precision Medicine: Connecting Patients with The Right Treatment at the Right Time; and "Social Inflation": Fact or Fiction?

"Tom and the staff have done a great job of putting together an interesting agenda that has attracted both legislators and interested parties from across the country to come to Jersey City for the meeting," said CA Assemblyman Ken Cooley, NCOIL President. "I'm looking forward to engaging in important policy discussions."

At the 15 day mark, there are 278 registered attendees, including 48 legislators and 10 Insurance Commissioners.

The full agenda can be viewed here

NCOIL Holds Successful DC Fly-In to Educate Congress About the Importance of State-Based Insurance Regulation

Manasquan, NJ- A bi-partisan group of NCOIL legislators from State Legislatures 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 included: IN Rep. Matt Lehman, NCOIL Immediate Past President; TX Rep. Tom Oliverson, MD, NCOIL Treasurer; MN Sen. Paul Utke, Chair of the NCOIL Joint State-Federal Relations and International Insurance Issues Committee; MI Rep. Brenda Carter, Vice Chair of the NCOIL Joint State-Federal Relations and International Insurance Issues Committee; and WV Del. Steve Westfall, Vice Chair of the NCOIL Health Insurance and Long-Term Care Issues Committee.

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Future NCOIL Meetings:

Summer 2022
July 13—16
Jersey City, NJ
Hyatt Regency

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 Holds Successful DC Fly-In to Educate Congress About the Importance of State-Based Insurance Regulation (cont'd)

They, together with NCOIL CEO, Commissioner Tom Considine, General Counsel Will Melofchik and staff, participated in dozens of meetings with Senators, House Members, and committee and congressional staff, including significant numbers of both the House Financial Services Committee and Senate Banking Committee, to highlight the importance of preserving the state-based system of insurance regulation, along with other NCOIL policy priorities.

"Being able to discuss the importance of state-based insurance regulation with our federal counterparts provided an excellent opportunity to discuss how we can continue to create the best marketplace possible for consumers and industry alike," said IN Rep. Matt Lehman, NCOIL Immediate Past President. "NCOIL's efforts to have a continued dialogue with Members of Congress and their staffs have proven to be very useful in advancing our shared policy goals."

The day began with U.S. Senator Mike Rounds (R-SD) speaking to NCOIL legislators about preserving the state-based system of insurance regulation. Sen. Rounds, former Governor of South Dakota and state senator, worked extensively in the insurance industry prior to his public service giving him vast knowledge of the industry from various perspectives. NCOIL legislators also heard from Indiana Congresswoman Victoria Spartz, who spoke about several issues including her work in Congress to help provide aid to Ukraine. A former Indiana state senator and Ukrainian native, Congresswoman Spartz has made numerous recent trips to the war torn country.

Throughout their meetings, NCOIL legislators discussed: the preservation of the McCarran Ferguson Act; the need for a long-term reauthorization and modernization of the National Flood Insurance Program (NFIP); amending the Airline Deregulation Act (ADA) to allow states the authority to regulate certain business practices of air ambulances; amending the Employee Retirement Income Security Act of 1974 (ERISA) to add a statutory waiver provision so that States could seek ways to apply their particular reforms to all health insurance plans whose members all reside in that State – including self-insured plans of a certain number of members; preparations for the end of the federally declared Public Health Emergency; S&P's proposal to revise its methodology for assessing insurers' financial strength: "Insurer Risk-Based Capital Adequacy – Methodology and Assumptions"; and the negative effects of a federal monitoring and reporting system for the State workers' compensation marketplace.

"As Chair of the Texas House Insurance Committee, I know just how intricate a particular state's insurance market can be." said TX Rep. Tom Oliverson, MD, NCOIL Treasurer. "Now more than ever, Members of Congress and their staffs need to know the importance of the state-based system of insurance regulation and how it promotes the best market for our mutual constituencies."

"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. This regulatory approach has worked for over 70 years since the passage of the McCarran-Ferguson Act," stated Commissioner Tom Considine, NCOIL CEO. "With so many unique issues currently facing the insurance sector, it was great to have some of the top state insurance legislators in the country representing NCOIL's positions on The Hill during what was NCOIL's seventh consecutive annual D.C. Educational Fly-in."

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

Capital Corner

By Will Melofchik – NCOIL General Counsel

Greetings -

Welcome to the latest installment of Capital Corner, a column that aims 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 Summer Meeting and will be monitoring and further discussing throughout 2022.

The upcoming 2022 NCOIL Summer National Meeting in Jersey City, NJ will feature three important and timely general sessions. Attendance at general sessions always seems to drop compared to committee meetings, yet the conference program evaluations consistently rate the general sessions even higher than the committee meetings. Below are brief summaries of the general sessions on the agenda for the Summer Meeting. I urge you all to review the summaries and plan to attend the sessions.

Private Equity's Influence and Impact on the Insurance Industry

While the practice of private equity firms acquiring U.S. insurers dates back several years, much more attention to the practice has been placed recently by both State and federal policymakers. This past March, U.S. Senator Sherrod Brown (OH, Chair of the Senate Banking, Housing and Urban Affairs Committee) sent a letter to National Association of Insurance Commissioners (NAIC) President and Idaho Insurance Director Dean Cameron, and Federal Insurance Office (FIO) Director Steven Seitz, expressing concerns such as "insurance investment products workers depend on for their retirement…being transferred to…risky companies that have a track record of undermining pension and retirement programs.[1]" In its response to Chair Brown, the NAIC stressed that "State insurance regulators are fully capable of assessing and managing the risks" of the insurers utilizing "large and complex investment strategies", and there is "nothing PE firms add to the playing field that changes this fact[2]"

Prior to Chair Brown's letter, the NAIC Macroprudential (E) Working Group (MWG) was charged with developing a strategic risk assessment tool and coordinating NAIC activities concerning private equity-insurer arrangements[3]. The charge resulted in drafting an initial list of wide-ranging considerations pertaining to private equity firm involvement in insurance and the ability of state insurance regulators to adequately monitor and assess the risks of such involvement ("PE Considerations List")[4]. The current version of the PE Considerations List along with recently submitted comments can be viewed here: https://content.naic.org/sites/default/files/call_materials/Materials_13.pdf

Given the flurry of activity surrounding this issue, it is important that state legislators be added to the group of those involved thus far in order to ensure that any additional regulatory scrutiny extended towards private-equity owned insures is proper and rooted in statutory authority. To that end, at the upcoming Summer Meeting in Jersey City, the NCOIL Innovation Series is titled "Private Equity's Influence and Impact on the Insurance Industry." Attendees will hear from:

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[1] https://www.banking.senate.gov/imo/media/doc/brown_letter_on_insurance_031622.pdf
[2] https://content.naic.org/sites/default/files/government-affairs-letter-naic-pe-response-sen-brown-220531.pdf
[3] https://us.eversheds-sutherland.com/NewsCommentary/Legal-Alerts/250124/NAIC-updates-private-equity-Regulatory-Considerations-list
[4] Id.

Capital Corner (cont'd)

- Leslie Scism, News Editor – Wall Street Journal
- Jeff Hooke, MBA, Senior Lecturer – Johns Hopkins Carey Business School; and
- David Burton, Senior Fellow – The Heritage Foundation

Please submit any thoughts or comments on this issue, including suggestions for additional speakers, to wmelofchik@ncoil.org.

Biomarker Testing and Precision Medicine: Connecting Patients with The Right Treatment at the Right Time

Biomarker testing is the analysis of blood, other body fluids, and/or tissue for the presence of biomarkers, which can be defined as objectively measurable characteristics that help measure one's biological state, including the presence and progress of disease[5]. This innovative method of testing has been applied in the diagnosis and monitoring of numerous conditions, including cancer, cardiovascular disease, infections, and genetic disorders[6]. Biomarker testing is part of a practice termed "precision medicine" which is an approach to medical care in which disease prevention, diagnosis, and treatment are tailored to the genes, proteins, and other substances in the body[7].

States such as Arizona, Illinois, and New York have either passed or introduced bills that require health insurers to provide coverage for biomarker testing for diagnosis, treatment, and monitoring of disease. Asw. Pam Hunter (NY), Chair of the NCOIL Health Insurance & Long Term Care Issues Committee, and sponsor of the aforementioned New York bill, has announced her intent to use her NY bill as the starting point for development of a similar NCOIL Model Act.

Any time a requirement for health insurance coverage is discussed, particularly for innovative and intricate testing methods such as biomarker testing, there are of course certain issues to consider such as the cost of testing and ensuring that the tests are performed pursuant to appropriate guidelines. At the upcoming Summer Meeting in Jersey City, a general session will be held titled "Biomarker Testing and Precision Medicine: Connecting Patients with The Right Treatment at the Right Time." Attendees will hear from a panel consisting of:

- Tiffany Westrich-Robertson, CEO & Co-Founder - International Foundation for Autoimmune & Autoinflammatory Arthritis
- Hilary Gee Goeckner, MSW, Senior State & Local Campaigns Manager – Access to Care American Cancer Society Action Network, Inc.
- Alyssa Schatz, Senior Director, Policy & Advocacy - National Comprehensive Cancer Network (NCCN); and
- Miranda Motter, Senior VP, State Affairs and Policy - America's Health Insurance Plans (AHIP)

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

"Social Inflation": Fact or Fiction?

"Social inflation" is a term some use to refer to rising litigation costs and their impact on insurers' claim payouts, loss ratios and, ultimately, how much policyholders pay for coverage[8]. Put another way, it can refer to all ways in which insurers' claims costs rise over and above general economic inflation.[9] However, others argue that "social inflation" is merely an industry-created term, produced to justify raising rates[10].

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[5] https://www.azleg.gov/legtext/55leg/2R/fiscal/HB2144.DOCX.pdf
[6] Id.
[7] https://www.cancer.gov/about-cancer/treatment/types/biomarker-testing-cancer-treatment
[8] https://www.iii.org/article/social-inflation-hard-to-measure-important-to-understand
[9] https://www.iii.org/insuranceindustryblog/what-is-social-inflation-what-can-insurersdo-about-it/
[10] https://consumerfed.org/wp-content/uploads/2021/04/How-the-Cash-Rich-Insurance-Industry-Fakes-Crises-and-Invents-Social-Inflation.pdf

Capital Corner (cont'd)

As those two introductory sentences indicate, there are very strong opinions on both sides of the "social inflation" debate. And any policy decisions made related to this debate can have an impact on policyholder's premiums, a factor which is made even more important during these current inflationary times. Accordingly, at the upcoming Summer Meeting in Jersey City, a general session titled "Social Inflation: Fact or Fiction" will be held and the panel will educate attendees on "social inflation" and what, if anything, should be done about It. Speakers are:

- Victor Schwartz, Esq., Partner, Public Policy Group - Shook, Hardy & Bacon, L.L.P
- Kenneth M. Trombly, Esq. - Trombly & Stinger, PLLC
- Jim Whittle, VP, Liability & Counsel - American Property Casualty Insurance Association (APCIA); and
- Peter Kochenburger, Executive Director, Insurance Law LL.M. Program, Deputy Director, Insurance Law Center, Associate Clinical Professor of Law - University of Connecticut School of Law

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

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

NCOIL One on One

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.

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

THERE IS STILL TIME TO REGISTER FOR THE 2022 NCOIL SUMMER MEETING AT THE HYATT REGENCY IN JERSEY CITY, NJ

For registration information please click here

See the meeting schedule on page 8 or view at the NCOIL website along with the 30 Day Materials here

For hotel information click here

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 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 2022 SUMMER MEETING SCHEDULE

WEDNESDAY, JULY 13

Budget Committee	5:00 PM	-	5:30 PM
Audit Committee (Members Only)	5:30 PM	-	6:00 PM
Welcome Reception	6:00 PM	-	7:00 PM

THURSDAY, JULY 14

Welcome Breakfast	8:15 AM	-	9:45 AM
Networking Break	9:45 AM	-	10:00 AM
NCOIL Innovation Series	10:00 AM	-	11:30 AM
Joint State-Federal Relations and International Insurance Issues Committee	11:30 AM	-	12:45 PM
The Institutes Griffith Foundation Legislator Luncheon	12:45 PM	-	2:00 PM
Health Insurance & Long Term Care Issues Committee	2:00 PM	-	3:30 PM
Networking Break	3:30 PM	-	3:45 PM
Financial Services & Multi-Lines Issues Committee	3:45 PM	-	5:15 PM
CIP Member & Sponsor Reception	6:00 PM	-	7:00 PM

FRIDAY, JULY 15

Workers' Compensation Insurance Committee	9:00 AM	-	10:30 AM
Networking Break	10:30 AM	-	10:45 AM
Special Discussion on Federal Insurance FIO Priorities	10:45 AM	-	11:15 AM
NCOIL-NAIC Dialogue	11:15 AM	-	12:30 PM
Luncheon with Keynote Address	12:30 PM	-	2:00 PM
General Session	2:00 PM	-	3:30 PM
Life Insurance & Financial Planning Committee	3:30 PM	-	5:00 PM
IEC Board Meeting	5:00 PM	-	5:45 PM

SATURDAY, JULY 16

The Institutes Griffith Foundation Legislator Breakfast	8:00 AM	-	9:00 AM
Property & Casualty Insurance Committee	9:00 AM	-	10:45 AM
Networking Break	10:45 PM	-	11:00 AM
General Session	11:00 AM	-	12:15 PM
Executive Committee	12:15 AM	-	1:00 PM