

**Inside this issue :**

Virtual DC Fly-In	P.1
New Committee	P.2
Annual Meeting Registration	P.3
Short Term Limited Duration Insurance Model Act	P.4
IEC Column	P.5
Business Liability Protection Model Act	P.6
Tampa Schedule	P.8

**NCOIL Annual Meeting
December 9th—12th Tampa, FL**
[REGISTER NOW](#)

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

On October 15th, a bi-partisan group of NCOIL legislators from State Senates and State Houses of Representatives around the country participated in Zoom meetings and phone calls to educate Members of Congress and their staffs about the vital importance of statebased regulation of insurance and its success for more than 70 years. This was NCOIL's fifth consecutive DC fly-in – the first using a virtual format.

Participating legislators included IN Rep. Matt Lehman, NCOIL President; CA Asm. Ken Cooley, NCOIL Vice President; NY Asm. Kevin Cahill, NCOIL Treasurer; KY Rep. Joe Fischer, NCOIL Secretary; IN Sen. Travis Holdman, NCOIL Immediate Past President; AR Sen. Jason Rapert, NCOIL Immediate Past President; KY Rep. Bart Rowland, Chair of the NCOIL Property & Casualty Insurance Committee; LA Rep. Edmond Jordan, Chair of the NCOIL Financial Services & Multi-Lines Issues Committee; NC Sen. Vickie Sawyer, Vice Chair of the NCOIL Property & Casualty Insurance Committee; MN Sen. Paul Utke, Vice Chair of the NCOIL Workers' Compensation Insurance Committee; NY Asm. Pam Hunter, Chair of the NCOIL Health Insurance & Long Term Care Issues Committee; OH Sen. Bob Hackett, Chair of the NCOIL Joint State-Federal Relations & International Insurance Issues Committee; AZ Sen. David Livingston, Chair of the NCOIL Articles of Organization & Bylaws Revision Committee; and TX Rep. Tom Oliverson, M.D., Chair of the NCOIL Workers' Compensation Insurance Committee.

They, together with NCOIL CEO Commissioner Tom Considine and staff, participated in 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.

Meetings included more than 40 meetings overall and numerous Member meetings including Rep. Maxine Waters, Chair of the House Financial Service Committee, and senior staff to Senate Majority Leader Mitch McConnell.

"Members of Congress and their staff need to remember the importance of state-based regulation of insurance to their states and the country" said IN Rep. Matt Lehman, NCOIL President. "During these unprecedented times, the efforts of NCOIL legislators to educate our federal colleagues and have a continuous dialogue is more important than ever before."

Cont'd on Page 2



Rep. Matt Lehman, IN
President



Thomas B. Considine
NCOIL CEO



Asm. Ken Cooley, CA
Vice President



Asm. Kevin Cahill, NY
Treasurer



Rep. Joe Fischer, KY
Secretary



Sen. Jason Rapert, AR
Immediate Past President



Sen. Travis Holdman, IN
Immediate Past President

NCOIL CONCLUDES VIRTUAL DC FLY-IN TO EDUCATE MEMBERS OF CONGRESS ABOUT THE IMPORTANCE OF STATE-BASED INSURANCE REGULATION CONT'D

Legislators discussed protection of the state-based regulation of insurance; pandemic business interruption coverage issues; the Prohibit Auto Insurance Discrimination (PAID) Act, which would insert the federal government into insurance rating by prohibiting private passenger automobile insurers from using certain underwriting factors to determine insurance rates and eligibility; the need for a long-term reauthorization and modernization of the National Flood Insurance Program; amending the Employee Retirement Income Security Act of 1975 (ERISA) to add a statutory waiver provision so that states could pilot health insurance reforms and also so the protections set forth in state balance billing laws apply to all health insurance plans – including self-insured plans; and maintaining the recent expansion and utilization of telemedicine.

“This year has been challenging for everyone, but NCOIL has remained committed to ensuring its voice is heard on protecting the state-based the state-based system of insurance regulation and other important issues. Switching to a virtual format enabled us, for the fifth year in a row, to have a successful and beneficial educational fly-in where state legislators and their federal colleagues could discuss these issues of mutual interests. State legislators have worked to affirm the state-based system of insurance that promotes growth and solvency in the market while protecting consumers. This approach has worked for three quarters of a century since the passage of McCarran-Ferguson Act” said NCOIL CEO Tom Considine, former NJ Banking and Insurance Commissioner. “This year we had a record high of participating legislators and they all deserve praise for remaining committed to NCOIL during this unprecedented year. Our meetings with Members of Congress and staff were once again extremely productive and our vigilant education efforts are paying dividends in terms of the recognition of the success of the state-based system from our federal counterparts.”

For the four previous years, NCOIL hosted an Education Fly-In where 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. This year represents the highest number of participating legislators.

Message from the President Regarding Special Committee on Race in Insurance Writing Schedule and Request Information

Dear Legislators and Interested Parties:

I hope this finds you well. As you may know, NCOIL has recently formed a Special Committee on Race in Insurance Underwriting (Committee), Chaired by New York Senator Neil Breslin – former NCOIL President and current Chair of the New York Senate Insurance Committee.

The insurance industry has been among those industries that has taken steps to review and, in some instances, change, certain established ways of doing business in an effort to address systemic bias and racism. The thoughts and views of state insurance legislators are extremely valuable as these important decisions occur which is why forming this Committee is so vital.

After careful deliberations, NCOIL has determined that it needs to take a more active role in framing the discussions around race and insurance underwriting that can have a huge impact on both policyholders and the insurance industry as a whole.

The Committee's first meeting will be on Wednesday, December 9th, which will be the first meeting of the 2020 NCOIL Annual Meeting in Tampa, Florida. The Committee will have one

Cont'd on Page 3

Future NCOIL Meetings:

Annual 2020
December 9—12
Tampa, FL

Spring 2021
March 11—14
Washington, DC

Summer 2021
July 14—17
Boston, MA

Annual 2021
November 17—20
Scottsdale, AZ

Spring 2022
March 3—6
Las Vegas, NV

Summer 2022
July 13—16
Jersey City, NJ

Annual 2022
November 16—19
New Orleans, LA

REGISTRATION FOR NCOIL ANNUAL MEETING IS OPEN

Registration for the 2020 NCOIL Annual Meeting at the Marriot Tampa Water Street Hotel and Marina in Tampa, FL from December 9th—12th is open.



See the full tentative schedule on page 8 or view at the NCOIL website [here](#)

DON'T FORGET TO BOOK YOUR HOTEL!!!

The hotel block closes on **November 9th**

Legislators book here:



General Participants book here:



Message from the President Regarding Special Committee on Race in Insurance Underwriting Schedule and Request for Information CONT'D

meeting running from approximately 10 a.m. – 1 p.m. Lunch will be provided to legislators from 1 p.m. – 2 p.m. The Committee will meet again from approximately 2 p.m. – 5 p.m.

The meeting will be a hybrid format allowing for both in-person attendance and virtual attendance via Zoom. For more information on the Annual Meeting, including how to register, please follow this link: <http://ncoil.org/2020-ncoil-annual-meeting-registration/>

The Committee is charged with: taking testimony, discussing, and defining the term “proxy discrimination” – an undefined term that has been used by many when discussing insurance rating, and has even been included in regulatory-related documents; and discussing the wisdom of certain rating factors being used in insurance underwriting, such as zip code, and level of education, occupation, etc.

As the Committee considers these issues, Chair Breslin is currently accepting recommendations for: a.) a definition of proxy discrimination; b.) explanations why certain rating factors, or certain combinations of them, should or should not be prohibited from use in insurance underwriting; c.) names of potential witnesses for the Committee to consider hearing on these issues; d.) a list of any other material that the Committee should consider that relates to its charges that you can furnish upon request.

Please note that any presentations delivered to the Committee must be focused on actuarial principles and concrete data. Opinion testimony untethered to such data will not be considered.

Cont'd on Page 4

Message from the President Regarding Special Committee on Race in Insurance Underwriting Schedule and Request for Information CONT'D

Please e-mail Will Melofchik, NCOIL General Counsel, with any recommendations at wmelofchik@ncoil.org by November 10, 2020.

Thank you for your consideration and please do not hesitate to reach out if you have any questions. You can reply to this e-mail or call the NCOIL National Office at 732-201-4133.

Be well,



Matt Lehman
Majority Leader
Indiana House of Representatives
NCOIL President

NCOIL ADOPTS SHORT TERM LIMITED DURATION INSURANCE MODEL ACT

At the NCOIL "Summer" Meeting in Alexandria, VA on September 26, the organization adopted the NCOIL Short Term Limited Duration Insurance Model Act (Model) sponsored by IN Representative Martin Carbaugh. The measure passed on a voice vote by both the NCOIL Health Insurance & Long Term Care Issues Committee and NCOIL Executive Committee.

Short-term limited-duration insurance (STLDI) is a type of health insurance that provides coverage to policyholders for a period of as little as a month to as long as three years. This type of coverage is exempt from the definition of individual health insurance coverage under the Patient Protection and Affordable Care Act (PPACA) and is therefore not subject to the PPACA provisions that apply to the individual market. States regulate STLDI in varying ways.

The Model was introduced at the NCOIL 2019 Summer Meeting in Newport Beach, California and is based on Indiana HB 1631 which was also sponsored by Rep. Carbaugh and signed into law in 2019. The Model provides a framework for those states that permit the sale of STLDI. Importantly, the Model includes a drafting note that makes clear that states are not required to offer STLDI, and notes that "for states that choose to offer such plans, this Model is intended to serve as a framework that can be adjusted accordingly to meet each state's needs."

Rep. Carbaugh said, "Thank you to everyone who worked on this Model. When comparing the first draft of the Model to the version that was adopted, it is clear that we made sure to hear from those with differing views on short-term plans and make necessary changes. I am a strong supporter of short-term plans and firmly believe that they can help people meet their healthcare needs. Immediately after sponsoring similar legislation in Indiana, I proposed to develop this Model at NCOIL knowing that it was the perfect forum to provide states guidance who are looking to foster a short-term plan marketplace."

During the drafting discussions, NCOIL legislators and staff heard from a wide array of interested parties including Jim Parker, Senior Advisor to the Secretary of Health and Human Services (HHS) for Health Reform; Jan Dubauskas, VP, Senior Counsel at Health Insurance Innovations (HII); Jeff Smedsrud, President of Pivot Health; Michelle Lilienfeld, Sr. Attorney at the National Health Law Program (NHLP); The Honorable Glen Mulready, Commissioner of the Oklahoma Department of Insurance; Brian Blase, President & CEO of Blase Policy Strategies; the National Association of Insurance and Financial Advisors (NAIFA); the American Medical Association

Cont'd on Page 5

NCOIL ADOPTS SHORT TERM LIMITED DURATION INSURANCE MODEL ACT CONT'D

"This Model is a great example of how NCOIL can examine an issue and develop policy in a fair and efficient manner," said NY Assemblywoman Pam Hunter, Chair of the NCOIL Health Committee. "Opinions differ on the value of short-term plans, but nonetheless the Model represents a solid framework for states to utilize when offering such plans."

"It is great to see that NCOIL is still being productive and offering states guidance in the form of model legislation even during these unprecedented times", said IN Representative Matt Lehman, NCOIL President. "I am also proud to see my colleague and fellow Hoosier guide this Model through towards final adoption. We've seen positive results in Indiana following enactment of our short-term plan law, and I am confident that the states that choose to adopt the Model will see the same."

The purpose of the Model is to establish standards for the regulation of short-term plans that may be sold in a State. Highlights of the Model include requiring that a short-term plan have an annual limit of at least two million dollars (\$2,000,000) and requiring that short-term plans provide coverage for ambulatory patient services, hospitalization, emergency services, and laboratory services.

The Model also requires that an insurer that issues a short-term plan to disclose to an applicant, in bold, 12 point type: that the short term insurance plan is not required to include coverage for all ten (10) of the essential health benefits required under the PPACA and specify the essential health benefits where no coverage is offered; that the short term insurance plan does not necessarily provide the full coverage that is required under PPACA; and that the full coverage required by the PPACA may be secured during the next PPACA annual open enrollment, which typically commences on November 1 and can be found at <https://www.healthcare.gov/quickguide/dates-and-deadlines/>. An insurer is also required to obtain the signature of an applicant to whom those disclosures are made.

NCOIL CEO, Commissioner Tom Considine, stated, "Thank you both to Rep. Carbaugh for sponsoring this Model and to Chairwoman Hunter for holding productive hearings that resulted in significant changes, and thank you also to the Committee for deliberating on the Model in a careful but efficient manner. I think short-term plans can really provide help to consumers, particularly when Exchange programs may be unaffordable. For example, in instances where a consumer is close to Medicare age and wants to put as much money as possible into their business, a short-term plan can be a great, cost-effective option that still provides robust coverage."

P&C Claims and Catastrophes: FEMA Disaster Declarations Can Paint a Clearer Picture: An IEC Perspective*

By Joe Petrelli, President and Co-Founder, Demotech

With assistance from J.J. Diamond, InsurTech Intern

"The sense of national catastrophe is inevitably heightened in a television age, when the whole country participates in it." R. W. Apple, Jr.

Each of those I know in the insurance industry expresses empathy for meritorious claimants. Being involved in a situation that results in a claim is unsettling. Claims are unsettling experiences regardless of the dollar damage incurred. Catastrophic events, natural or man-made, are even more disconcerting as they can be viewed by tens of millions all over the world via a variety of media.

Since 1949, the Property and Casualty insurance industry has relied upon the Property Claim Services (PCS) or its predecessors to designate catastrophe events by assigning a catastrophe number. Designed to identify situations where a significant number of policyholders and insurers are affected, the current dollar threshold for a catastrophic event is \$25 million or more.

As the first company to review and rate independent, regional and specialty insurers back in 1989, Demotech has seen thousands of disconcerting events that do not rise to the level of identi-

Cont'd on Page 6

P&C Claims and Catastrophes: FEMA Disaster Declarations Can Paint a Clearer Picture: An IEC Perspective* CONT'D

fication by PCS because the area that has been impacted is insured by an insurer that is focused on the community impacted by the event. Examples of such events are a weak tornado striking a single county, a local dam compromises and floods a few homes or businesses, a fire that consumes a few homes, mudslides, etc.

The point is that in any given year, carriers and their reinsurers respond to hundreds of calamities that do not rise to the level established by PCS. This is not intended as a criticism of PCS, as the stated purpose of PCS is to identify situations where a significant number of policyholders and insurers are impacted by an event that reaches or exceeds the dollar threshold established by PCS. Rather, my point is that the level of catastrophe losses identified by PCS are toward the lower end of the range of catastrophic losses, not the upper end of the range.

We should consider supplementing PCS data with the disaster declarations of the Federal Emergency Management Agency, FEMA, <https://www.fema.gov/disasters/disaster-declarations>

According to their site, "FEMA's mission is to help people before, during and after disasters. This is the top focus of everybody working for or with FEMA in the field. Once there is a presidential declaration of a major disaster or emergency, FEMA coordinates and collaborates with federal, state, local and tribal agencies to get assistance to survivors."

All requests for a declaration by the President must be made by the Governor of the affected State. "State" includes the District of Columbia, Puerto Rico, Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. The Republic of Marshall Islands and the Federated States of Micronesia are also eligible to request a declaration and receive assistance through the Compacts of Free Association.

Critics of the insurance industry and claimants need to understand that our industry responds to meritorious claimants impacted by catastrophes, whether the event is huge and well-known through media exposure or obscure and concentrated in a locality.

About the Author:

Joe Petrelli is President and Co-Founder of Demotech, the second largest rating service in the United States based upon the count of uniquely rated clients, specializing in evaluating the financial stability of regional and specialty insurers.

*Please note that this column is entirely the work of its author(s) ; Any views or opinions expressed are theirs.

NCOIL TO DEVELOP BUSINESS LIABILITY PROTECTION MODEL

At the upcoming NCOIL Annual Meeting in Tampa, FL from December 9th – 12th, the organization will begin discussing the development of an NCOIL Business Liability Protection Model Act (Model). The Model will be sponsored by Kentucky Representative Bart Rowland, Chair of the NCOIL Property & Casualty Insurance Committee, and co-sponsored by Indiana Representative Matt Lehman, NCOIL President.

The Model will be placed before the Property & Casualty Insurance Committee and introductory draft language will be included in the 30-day materials for the Annual Meeting which will be distributed and posted on the NCOIL website on November 10th .

Cont'd on Page 7

NCOIL TO DEVELOP BUSINESS LIABILITY PROTECTION MODEL ACT CONT'D

Rep. Rowland said, "I am proud to sponsor this model for states to consider. Unfortunately, the country will be living with this virus for quite some time. However, conscientious businesses still must be able to function in this era of our 'new normal' without the cloud of potential litigation hanging over their heads. Of course, if a business acts in a reckless or willful manner, liability can attach, but the businesses who want to re-open in a safe manner should be provided a certain level of immunity from COVID-related lawsuits."

Various states, including but not limited to Idaho, Iowa, Michigan, North Carolina, Oklahoma, Utah, Wyoming, Louisiana and Kansas have already adopted state legislation providing businesses with some type of limited civil liability immunity from defendants who are seeking damages related to contraction of COVID-19 at the premises in question.

"I applaud Representative Rowland for introducing this measure and I am proud to serve as cosponsor," said Rep. Lehman. "The economy simply cannot function if businesses can't get back to the everyday service of providing a product or service to consumers. Having a law in place that would provide a certain level of immunity to responsible businesses will encourage them to re-open, and protect them and their insurers from any unnecessary litigation."

NCOIL CEO, Commissioner Tom Considine, stated, "We at NCOIL are proud to continue developing model legislation to offer assistance to states as they adapt during these challenging times. With this model, we're really trying to prevent frivolous lawsuits against businesses that operate using the proper standard of care, and avoid insurance policies having to pay for something that ultimately could be impossible for a litigant to prove in certain instances. We'll take a look at the legislation that has already been enacted in several states and go from there."



NCOIL 2020 ANNUAL MEETING TENTATIVE SCHEDULE

WEDNESDAY, DECEMBER 9TH

Special Committee on Race in Insurance Underwriting	10:00 AM	-	1:00 PM
Special Committee on Race in Insurance Underwriting	2:00 PM	-	5:00 PM
Welcome Reception	6:00 PM	-	7:00 PM

THURSDAY, DECEMBER 10TH

Welcome Breakfast	8:30 AM	-	10:00 AM
Networking Break	10:00 AM	-	10:15 AM
NCOIL Innovation Series	10:15 AM	-	11:30 AM
Joint State-Federal Relations & International Insurance Issues Committee	11:30 AM	-	12:45 PM
The Institutes Griffith Foundation Legislation Luncheon (Tentative)	12:45 PM	-	1:45 PM
Health Insurance & Long Term Care Issues Committee	1:45 PM	-	3:15 PM
Networking Break	3:15 PM	-	3:30 PM
Financial Services & Multi-Lines Issues Committee	3:30 PM	-	4:45 PM
CIP Member & Sponsor Reception	5:00 PM	-	6:00 PM

FRIDAY, DECEMBER 11TH

Workers' Compensation Insurance 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	-	1:45 PM
Health General Session	1:45 PM	-	3:15 PM
Life Insurance & Financial Planning Committee	3:15 PM	-	4:30 PM
IEC Board Meeting (Tentative)	4:30 PM	-	5:15 PM

SATURDAY, DECEMBER 12TH

Property & Casualty Insurance Committee	9:00 AM	-	10:45 AM
Networking Break	10:45 AM	-	11:00 AM
General Session	11:00 AM	-	12:30 PM
Business Planning Committee & Executive Committee	12:30 PM	-	1:15 PM