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Rep. Deborah Ferguson DDS AR
President



Thomas B. Considine
NCOIL CEO



Rep. Tom Oliverson MD, TX
Vice President

NCOIL Urges Congress to Pass NFIP Reauthorization Legislation

Belmar, NJ – The National Council of Insurance Legislators (NCOIL) urges a timely reauthorization of the National Flood Insurance Program (NFIP) before its expiration on September 30th. The NFIP is a program that makes federally-backed flood insurance available in those states and communities that agree to adopt and enforce flood-plain management ordinances to reduce future flood damage. The program provides flood insurance to property owners, renters and businesses, and having this coverage helps them recover faster when floodwaters recede.

“As we continue to experience extreme weather events across the country, it is imperative that there is stability in the market and that consumers do not face any gaps in coverage,” said Arkansas Representative Deborah Ferguson, DDS, NCOIL President. “Congress and the President need to work together to find a long term and bipartisan solution to make sure the NFIP is protected for years to come.”

NCOIL CEO Commissioner Tom Considine said, “While a short term extension of the NFIP is critical as it will prevent an unnecessary lapse in coverage for consumers in the middle of hurricane season, NCOIL continues to urge Congress to stop this proverbial kicking the can down the road. The NFIP provides immense value to both consumers and the insurance marketplace so it is vital that a comprehensive long term solution is passed so no one is left wondering if their coverage will expire.”

NCOIL Salutes Life Insurance Awareness Month

Belmar, NJ – The National Council of Insurance Legislators (NCOIL) is proud to highlight September as the 20th annual “National Life Insurance Awareness Month”. NCOIL focuses on this campaign to serve as a reminder to families of the value of life insurance and encourages them to perceive life insurance as an investment into their families’ security.

“Life insurance is an important financial tool that provides families with a safety net, offers financial protection in times of loss, and ensures that financial commitments are met, even in the absence of a loved one,” said Arkansas Representative Deborah Ferguson, DDS, NCOIL President. “I encourage everyone to take the time to assess their need for coverage to make sure they avoid the uncertainty that comes with being uninsured or underinsured.”

NCOIL CEO, Commissioner Tom Considine, said, “Having sufficient life insurance coverage is an important component of a sound financial plan and provides resiliency during unexpected times.” He continued, “Two common misconceptions surrounding life insurance are that it is



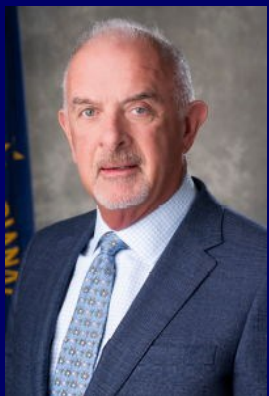
Asw. Pamela Hunter, NY
Treasurer



Sen. Paul Utke, MN
Secretary



Rep. Matt Lehman, IN
Immediate Past President



Sen. Travis Holdman, IN
Immediate Past President

NCOIL Salutes Life Insurance Awareness Month (cont'd)

expensive and that it is not needed. However, many people can be insured for the price of a daily cup of coffee.”

“NCOIL urges consumers to consult with their financial advisor to get a quote to find a plan that fits their needs and budget. Consumers can choose from among many different varieties of life insurance. With the innovations in product development, consumers can now buy policies that also cover long term care needs from the same benefit. Everyone should understand the benefits of life insurance and the risks of going without it,” Considine concluded.

Additional information and resources about Life Insurance Awareness Month can be found at <https://lifehappenspro.org/life-insurance-awareness-month>

Can Damage Caps Contain Social Inflation, Even as Medical Malpractice Verdicts Keep Increasing?

IEC Submission*

By Elizabeth Healy, Vice President of Government and Community Relations—The Doctors Company, Part of TDC Group

Across the United States, medical malpractice verdicts keep climbing, with jury awards now often routinely exceeding \$25 million, and even **\$100 million**—sometimes in [states where such “nuclear” verdicts used to be unheard of](#). For a sense of scale: Between 2016 and 2019, the average award for medical malpractice verdicts [rose by 50 percent](#).

When the cost to resolve a medical malpractice claim grows faster than general inflation, this spike in loss costs is known as social inflation, and it has wide-ranging ripple effects.

Social inflation is fueled by [societal shifts, juror expectations, the tactics of the plaintiff’s bar, third-party litigation financing](#), and more. Among the largest contributors to social inflation are nuclear verdicts, which are generally defined as jury verdicts exceeding \$10 million in compensatory awards, and which are becoming common in jurisdictions nationwide.

Unfortunately, although jury members may intend only to award reparations to an injured plaintiff, very large jury awards ultimately [affect the cost of living](#) throughout the United States. Legislative advocacy is needed to limit noneconomic damages and to resist legislative changes that could result in even larger jury awards.

Study Shows Social Inflation in Medical Malpractice Claims

“Nuclear verdicts used to be confined to places like California, New York, Florida, Texas, and maybe Illinois,” says Robert E. White Jr., President of The Doctors Company and TDC Group. “Now, when we see nuclear verdicts cropping up in Iowa, Idaho, Nebraska, Alabama, and Utah, it’s a shock to those of us who know the industry, and it’s concerning to those that underwrite and handle claims for our members.”

With this concern in mind, The Doctors Company engaged Moore Actuarial Consulting, LLC, to determine the degree of social inflation present in the U.S. medical malpractice claims-made market for physicians. Using insurance company annual statement data, the [Medical Malpractice Claims-Made Social Inflation and Loss Development Report](#) estimates that in the decade ending in 2021, between \$2.4 and \$3.5 billion, or 8 to 11 percent, of all medical malpractice losses incurred by physician-focused insurers stemmed from social inflation.

The evidence in the annual statement data points to an acceleration beginning around the year 2012, with a more drastic acceleration around 2017. The study examined loss development factors (LDFs), a standard actuarial metric, across more than a decade for physician-

Cont’d on Page 3

Future NCOIL Meetings:

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

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

Can Damage Caps Contain Social Inflation, Even as Medical Malpractice Verdicts Keep Increasing?

(cont'd)

*IEC Submission**

focused medical malpractice insurers. In theory, these factors should change little except for random variation. Instead, they have been rising. The study used the increase in LDFs to estimate the impact of social inflation.

In addition, the study examined data from the National Practitioner Data Bank (NPDB)—a federal dataset that collects information on, among other things, malpractice payments—and the study showed that the pace of settlements larger than \$1 million has accelerated. Large settlements are a significant driver of social inflation.

Social Inflation Increases Everyone's Tort Tax

Jurors sympathize with injured patients. Understandably, many jurors perceive hospitals as faceless, deep-pocketed entities. The trouble is that the ripple effects of ever-increasing jury awards can lead to increases in physicians' premiums for medical malpractice insurance, which is not helpful to containing the costs of medicine or improving patients' access to healthcare.

Nuclear verdicts [raise loss costs for insurers](#), which can push up premiums for medical professionals and practices. According to a 2021 study by the [Perryman Group](#), the toll on the American economy due to tort abuse is staggering. It accounts for 4.24 million job losses, an annual loss of \$429.35 billion in economic output, and lost government revenues of more than \$110 billion annually. This translates to a "tort tax" burden of \$1,303 per person.

Damage Caps Can Mitigate Social Inflation

Medical malpractice litigation does not occur in a vacuum. A demand letter from a plaintiff's attorney is predicated upon prior, recent similar matters. This is why even the threat of a nuclear award affects negotiations from the very outset of a claim.

States that cap noneconomic damages can reduce the impact of that phenomenon: The authors of the [Medical Malpractice Claims-Made Social Inflation and Loss Development Report](#) have proposed that restrictions on noneconomic damages in medical malpractice may mitigate social inflation. On the other hand, states that relax caps or remove them are likely to realize sharp rises in claim severity as well as a change in the variety of medical malpractice claims.

Continued medical liability tort reform legislation has the potential to ease the pressures that can contribute to defensive medicine, lower medical malpractice premiums for medical professionals, and reduce health insurance premiums for patients.

To learn more, read the [Medical Malpractice Claims-Made Social Inflation and Loss Development Report](#).

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

Future NCOIL Meetings:

Spring 2025
April 24-27
Charleston, SC
Francis Marion Hotel

Summer 2025
July 16-19
Chicago, IL
Renaissance Chicago
Downtown Hotel

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

Spring 2026
Louisville, KY
The Hyatt Regency

Summer 2026
July 15-18
Boston, MA
Westin Copley Place

Annual 2026
TBD

NCOIL Acknowledges National Preparedness Month

Belmar, NJ – The National Council of Insurance Legislators (NCOIL) draws consumers' attention to proper planning for disasters during this National Preparedness Month. This campaign is a nationwide effort organized by the Federal Emergency Management Agency (FEMA) to encourage individuals, families, and communities to take proactive steps to be prepared for emergencies.

Arkansas Representative Deborah Ferguson, DDS, NCOIL President said, "As severe weather continues to escalate year over year, it is important now more than ever for everyone to be prepared when disaster strikes. This can be as simple as having an emergency plan set in place and monitoring severe weather in your area. This month is also a great reminder to review your insurance policies to make sure that you are adequately covered so that a natural disaster doesn't also cause financial ruin."

"Insurance is a vital tool for individuals and businesses to mitigate the financial impact of disasters. By raising awareness about the importance of insurance in disaster preparedness, we can help protect our communities and promote resilience during uncertain times," said NCOIL CEO Commissioner Tom Considine. "Beyond the insurance coverage aspect, having a well-rounded emergency plan is essential in giving people peace of mind, especially those in disaster prone areas."

Additional information and resources about National Preparedness Month can be found at <https://www.ready.gov/september>.

NCOIL One on One

NCOIL One on One Interview with Wisconsin Senator Mary Felzkowski is out now. Click the link [here](#) to check it out! Interested in learning more about other NCOIL members? Visit the link [here](#) to see past NCOIL One on One Interviews.



Thanks to everyone who has participated so far:

- 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
- IN Sen. Travis Holdman
- OK Rep. Forrest Bennett
- CT Rep. Tammy Nuccio
- MS Sen. Walter Michel
- KY Rep. Rachel Roberts
- UT Rep. Jim Dunnigan
- NJ Sen. Nellie Pou
- ND Sen. Shawn Veda
- RI Sen. Roger Picard

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>

NCOIL September Twitter Activity:

September 5, 2023

Columbus, OH Fun Fact: The city is home to Ohio Stadium (commonly referred to as the Horseshoe) which has a capacity of 102,780 making it the 4th largest stadium in the US.

Following the conclusion of the NCOIL Annual Mtg on Nov. 18, Ohio State Football is home against U-MN.

September 12, 2023

Columbus, OH Fun Fact: Columbus's NHL team is named the Blue Jackets because of the patriotism the city showed during the civil war. Many of the uniforms worn by the Union were manufactured in Columbus & OH contributed more of its population to the Union Army than any other state.

Registration for the 2023 NCOIL Annual Meeting at the Renaissance Columbus Downtown Hotel in Columbus, OH from November 15th—18th is open.



For registration information please click [here](#)

See the meeting schedule on page 6 or view at the NCOIL website [here](#)

DON'T FORGET TO BOOK YOUR HOTEL!!!
The hotel block closes on **October 27th**

Legislators book here:



General Participants book here:



Reminder that Contributing States are eligible for two legislator stipends per National Meeting to help underwrite the cost of participating. Please reach out to Pat Gilbert at pgilbert@ncoil.org with any questions

LEGISLATOR STIPENDS NOW AVAILABLE FOR CONTRIBUTING STATES

[CLICK HERE FOR MORE INFORMATION](#)

NCOIL September 2023 Interim Committee Meetings

- On September 22nd, the P&C Committee met and discussed potential amendments to the NCOIL Delivery Network Company (DNC) Insurance Model Act as well as some of the Committee's pending Model Laws in advance of the upcoming NCOIL Annual Meeting in November. A recording of the meeting can be viewed [here](#).
- On September 29th, the Financial Services & Multi-Lines Issues Committee met and discussed a Resolution regarding independent procurement transactions, as well as proposed amendments to the NCOIL Insurance E-Commerce Model Act. A recording of that meeting can be viewed [here](#).
- On October 6th, the Health Insurance Committee will meet to discuss the NCOIL Medical Loss Ratios for Dental (DLR) Health Care Services Plans Model Act, and the recent Notice of Proposed Rulemaking issued by the Federal Tri-Agencies (DOL, HHS, Treasury). The link to register can be found [here](#).

2023 NCOIL Annual Meeting Schedule

NCOIL September Twitter Activity:

September 15, 2023

During Hispanic Heritage Month, NCOIL honors the rich history and culture of the Hispanic community and applauds the efforts made to increase representation in both legislatures & the insurance sector, helping to create sound insurance public policy representative of all Americans

September 19, 2023

Columbus, OH Fun Fact: Columbus is home to the stunning Park of Roses, a 13-acre garden within Whetstone Park. The garden is home to more than 11,000 bushes and 350 different types of roses, some varieties dating back to the early 20th Century

September 26, 2023

Columbus, OH Fun Fact: Columbus is the third leading fashion design city in the country, after New York and Los Angeles, with many major brands headquartered in the city.

WEDNESDAY, NOVEMBER 15TH

Welcome Reception	6:00 PM	-	7:00 PM
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THURSDAY, NOVEMBER 16TH

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
General Session	11:30 AM	-	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	-	4:45 PM
Articles of Organization & Bylaws Revision Committee	4:45 PM	-	5:15 PM
Nominating Committee (Members Only)	5:15 PM		
CIP Member & Sponsor Reception	6:00 PM	-	7:00 PM

FRIDAY, NOVEMBER 17TH

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	-	3:00 PM
Networking Break	3:00 PM	-	3:15 PM
Property & Casualty Insurance Committee	3:15 PM	-	5:00 PM
Budget Committee	5:00 PM	-	5:20 PM

SATURDAY, NOVEMBER 18TH

General Session	9:00 AM	-	10:45 AM
Networking Break	10:45 AM	-	11:00 AM
Joint State-Federal Relations & International Insurance Issues Committee	11:00 AM	-	12:30 PM
Executive Committee	12:30 PM	-	1:00 PM