



ACADEMY ALERT

GENERAL INSURANCE ISSUES

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NCOIL 2008 Annual Meeting Wrap-up

The National Conference of Insurance Legislators (NCOIL) held its 2008 annual meeting November 20-23 in Duck Key, Florida. NCOIL, which is the organization of legislators who sit on insurance committees or work on insurance legislation for state legislatures throughout the United States, develops resolutions, public statements and model laws and regulations regarding all insurance product lines.

In conjunction with the NCOIL meeting, on November 21 the Industry Education Council (IEC) held a brainstorming session to decide on topic suggestions for future NCOIL panel discussions. Academy staff presented the following topics: (1) evaluating risk-based regulation in light of the current financial crisis; and (2) impacts of health reform options on premium and affordability. The IEC agreed to include both topics in its proposal to NCOIL.

In addition, NCOIL committees adopted the following charges for 2009 which are of particular interest to the Academy and its stakeholders:

Financial Services and Investment Products Committee

- Monitor developments regarding financial guaranty insurance and related federal legislation, and develop a position if appropriate
- Report on federal legislation and state initiatives
- Explore the role of credit default swaps and other financial instruments, develop a position, and communicate to legislative colleagues regarding their public policy implications

Health, Long-Term Care & Health Retirement Issues Committee

- Develop white paper on best practices for healthcare reform
- Monitor, report, and communicate with Congress on federal legislation that would affect health insurance availability and affordability
- Monitor development of state long-term care insurance partnership programs and communicate with Congress on related regulatory and jurisdictional issues
- Monitor and report on efforts regarding repeal or amendment of state statutes based on an NAIC *Uniform Accident and Sickness Policy Provision Law* (UPPL) and a Robert Wood Johnson Study

International Insurance Issues Committee

- Develop and enhance communications with foreign legislators and regulators, e.g., initiate and establish more formalized forum for communications between international insurance legislators as part of NCOIL meetings
- Monitor and report on developments regarding IRS tax proposals for reinsurance risk
- Develop an NCOIL position on international accounting standards

Life Insurance & Financial Planning Committee

- Monitor and input on efforts to create a principles-based approach for life insurance reserves, and develop a position if appropriate
- Explore reform initiatives, including sustainability in annuity and life insurance product sales
- Monitor issues related to underwriting practices and/or policy exclusions in life insurance policies, including those relating to lawful travel to foreign countries
- Monitor and report on state life settlement laws, and examine the impact of the NCOIL model on STOLI schemes
- Report on regulatory issues related to annuities, and develop a position, as appropriate

Subcommittee on Natural Disaster Insurance Legislation

- Explore proposed structures and triggers for a national natural catastrophe fund in order to form an NCOIL position
- Examine state tax incentives in order to form an NCOIL position

Property-Casualty Insurance Committee

- Examine use of education/occupation in underwriting in order to form an NCOIL position
- Monitor and report on National Flood Insurance program (NFIP) activity
- Monitor credit-based insurance scoring efforts, and input if needed

State-Federal Relations Committee

- Expand efforts to educate Congress on the benefits of a state-based insurance system and to oppose federal preemptive measures

Workers' Compensation Insurance Committee

- Identify and report on state workers' compensation insurance systems, focusing particularly on reform efforts, cost containment, and fraud, and develop a compendium of best practices
- Consider pending federal initiatives, including reforms to the Medicare Secondary Payer Act, and establish a position, if appropriate
- Explore state activity regarding secondary injury funds and develop a position, if appropriate
- Examine the role of data collection and analysis in ensuring a well-performing and balanced state workers' compensation system

If you have any questions regarding these issues, please contact Justin Edwards, Legislative Assistant, by e-mail (Edwards@actuary.org) or by telephone at (202) 223-8196.

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