**NATIONAL CONFERENCE OF INSURANCE LEGISLATORS
ANNUAL MEETING REPORT
NEW ORLEANS, LOUISIANA
NOVEMBER 16-19, 2000**

The following is a report on the National Conference of Insurance Legislators (NCOIL) 32nd Annual Meeting in New Orleans, Louisiana, held from November 16 through 19, 2000.  More than 350 state legislators, insurance regulators, and industry and media representatives attended the meeting.

This report highlights significant committee and subcommittee actions, general session discussions, and hearing activities at the Annual Meeting.

**SYNOPSIS:**

At the NCOIL Annual Meeting, legislators:

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|           | adopted the NCOIL Financial Information Privacy Protection Model Act; |
|           | adopted the NCOIL Life Settlements Model Act; |
|           | adopted a resolutionto further discuss the National Association of Insurance Commissioners Uniform Accident and Sickness Policy Provision Law; |
|           | tabled a proposed NCOIL Mental Health Parity Model Act; |
|           | participated in a discussion on medical privacy; |
|           | learned about the reasons for rising health care costs; |
|           | announced that the Insurance Legislators Foundation Board would conduct a study related to the National Flood Insurance Program and publish a legislator’s guide; |
|           | participated in an NCOIL Special Session entitled: Proposed Responses to GLBA; |
|           | announced that the NCOIL Property-Casualty Insurance Committee would hold a hearing on personal lines deregulation; |
|           | participated in discussions on proposed insurance regulatory reforms in the wake of Gramm-Leach-Bliley Act (GLBA), financial privacy regulation and legislation; |
|           | announced that NCOIL would hold a panel discussion on international reinsurance issues; and |
|           | learned about e-commerce legislation that may come before them during the 2001 legislative session. |

A detailed report follows.

**COMMITTEE ACTIVITIES:**

### FINANCIAL PRIVACY

At the meeting, legislators unanimously adopted the NCOIL Financial Information Privacy Protection Model Act, pending consideration of technical amendments to the Model.  The Model addresses financial privacy.  NCOIL will consider medical privacy issues pending the review of federal Health and Human Services (HHS) privacy rules, which were released on December 20, 2000.  The Task Force received comments on the Model at a public hearing in Chicago, Illinois on September 28, 2000.  The NCOIL Financial Information Privacy Protection Model Act is available on the NCOIL Web site at [www.ncoil.org](http://www.ncoil.org/).

### LIFE SETTLEMENTS

Legislators unanimously adopted the NCOIL Life Settlements Model Act. The NCOIL Life Settlements Model Act makes a distinction between “life settlements” and “viatical settlements,” by defining the latter as a life settlement in which the insured is terminally or chronically ill.  The purpose of this Model is to provide consumer protections while regulating the industry.  The Life Settlements Model Act is available on the NCOIL Web site at [www.ncoil.org](http://www.ncoil.org/).

### BLOOD ALCOHOL SCREENING

The Health Insurance Committee adopted a resolution that would allow the Health Insurance Committee to further discuss the NAIC Uniform Accident and Sickness Policy Provision Law at the NCOIL Spring Meeting.

#### MENTAL HEALTH PARITY

The Executive Committee tabled the proposed NCOIL Mental Health Parity Model Act until the Spring Meeting.  The measure had passed the Health Insurance Committee after much heated debate.  The Model provides the same amount of coverage for mental health care as for physical illnesses or disabilities.  It applies only to large group insurers and uses a broad-based, as opposed to biological, definition of mental illness.

### MEDICAL PRIVACY

In the discussion on medical privacy, legislators heard an overview of issues related to medical privacy from federal and state perspectives.

The panel featured:

--   Dr. Robert Marshall, Professor of Insurance, Florida State University;

--   Ms. Barbara Levy, Legislative Director and Counsel for State Affairs for the Health   Insurance Association of America (HIAA);

--       Texas State Insurance Commissioner Jose Montemayor; and

--   Mr. Rey Becker, Vice President of the Alliance of American Insurers.

### RISING COST OF HEALTH CARE

At a luncheon presentation, Mr. George Halvorson, CEO of Health Partners, a health maintenance organization (HMO) based in Minneapolis, Minnesota, discussed recent trends relating to HMOs in America.  He noted that the consolidation of medical providers was an important contributing factor to the rising cost of medical care.  Audio tapes of Mr. Halvorson’s presentation are available by calling the NCOIL office at (518) 449-3210.

### ILF FLOOD STUDY

The Board of the Insurance Legislators Foundation (ILF) voted to conduct a study on federal flood insurance issues and the National Flood Insurance Program (NFIP) and publish a legislator’s guide.  The Federal Emergency Management Agency (FEMA) awarded the ILF a grant to undertake this project.  The ILF released a Request for Proposal (RFP) and posted it on the NCOIL Web site.  Flood insurance will be the subject of a panel discussion at the Spring Meeting in Hilton Head and a hearing at the Summer Meeting in Chicago.

### PRODUCER LICENSING

During a special session between NCOIL and the NAIC, legislators learned that

NCOIL’s goals with regard to producer licensing were:

--   to track the state enactment of producer licensing legislation;

--   to educate state legislators on the NAIC model, GLBA and the National Association   of Registered Agents and Brokers (NARAB); and

--   to coordinate state insurance department and legislative activity relating to GLBA.

### PERSONAL LINES

During a meeting of the NCOIL Property-Casualty Insurance Committee, legislators learned that NCOIL will hold a hearing on personal lines deregulation at the Spring Meeting.

Legislators also heard reports on:

--   the activities of the NCOIL Subcommittee on Natural Disaster Insurance Legislation;

--   the National Flood Insurance Program (NFIP); and

--   aftermarket parts.

### FUNCTIONAL REGULATION

Legislators participated in a panel discussion entitled, "Banks and Insurance: Can Functional Regulation Work?"  Sen. James Seward of New York moderated the panel.  The panelists presented legislators with information on how regulation could level the playing field between the banking and insurance industry.

The panel included:

--   Mr. James Sivon, Attorney, Barnett & Sivon;

--   Texas Insurance Commissioner Jose Montemayor; and

--   Mr. Donald Bryan, Director of the Division of Insurance, New Jersey Department of Banking and Insurance.

INTERNATIONAL REINSURANCE ISSUES

    NCOIL decided to hold a panel discussion on international reinsurance issues at the Spring Meeting in Hilton Head, on March 1 through 4, 2001.  A representative of European reinsurers told legislators that present state trust fund requirements discriminated against European reinsurers, and that the U.S. was too slow in lowering its regulatory barriers to one-stop shopping for licenses and for policy form and rate approval.  A representative of U.S. reinsurers informed legislators that solvency regulation in the EU is less restrictive.

### E-COMMERCE

   Legislators learned that among the major pieces of legislation that would come before them in 2001 were the Uniform Electronic Transactions Act (UETA) and the Uniform Computer Information Transactions Act (UCITA).  The legislation attempts to clarify state codes regarding the transaction of electronic commerce.

***NCOIL resolutions, model acts, and minutes from the Annual Meeting will be available on the NCOIL Web site at:***[***www.ncoil.org***](http://www.ncoil.org/)***by January 12, 2000.***

***If you would like to receive additional information regarding any of the issues discussed above, please contact the NCOIL National Office at (518) 449-3210.***