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Rep. Deborah Ferguson DDS AR  
President



Thomas B. Considine  
NCOIL CEO



Rep. Tom Oliverson MD, TX  
Vice President

## Capital

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By Will Melofchik – NCOIL General Counsel

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Greetings -

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Welcome to the latest installment of Capital Corner, a column that aims

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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 throughout 2023.

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### ***NCOIL to Discuss Public Adjuster Legislative Reforms***

Several states have recently taken action to either establish or update professional standards for public adjusters<sup>1</sup>. Specifically, state legislatures in Florida, Georgia, Kentucky, Illinois, and Indiana passed bills this year establishing more controls on public adjusters<sup>2</sup>.

As a reminder, a public adjuster is an independent insurance professional that a policyholder may hire to help settle an insurance claim on his or her behalf<sup>3</sup>. Your insurance company provides an adjuster at no charge to you, while a public adjuster has no relationship with your insurance company, and charges a fee consisting of a percentage, which varies by State often between 10% and 33%, of the insurance settlement for his or her services<sup>4</sup>.

<sup>1</sup><https://www.claimsjournal.com/news/national/2023/05/15/316961.htm>

<sup>2</sup>Id.

<sup>3</sup><https://www.iii.org/article/what-public-adjuster>

<sup>4</sup>Id.



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 Highlights Hurricane Preparedness Week

Belmar, NJ – The National Council of Insurance Legislators (NCOIL) draws consumers' attention to disaster preparedness during this Hurricane Preparedness Week which runs from April 30 – May 6. This campaign serves as a reminder to people in hurricane-prone areas how vital it is to be properly prepared and insured for these storms and the damages they cause.

“As hurricane season quickly approaches, it is imperative to understand the potential risks of having inadequate insurance coverage. I strongly encourage everyone to take the time to review their policies and ensure they have the necessary protections in place,” said Arkansas Representative Deborah Ferguson, DDS, NCOIL President. “Having the right policy can bring peace of mind in the face of the chaos that these storms can cause.”

“As important as this week is, these prudent steps should not just be limited to hurricanes, but to people in any areas at risk for natural disasters. For example, as an Arkansan, our risk is much more acute for tornados. For people in other states, it may be wildfires, mudslides, or earthquakes,” Ferguson concluded.

NCOIL CEO Commissioner Tom Considine, said, “Something as easy as making a call to an insurance agent can help ensure that homeowners don't experience financial ruin when disaster strikes. After some particularly devastating storms these past few years, it is important now more than ever for people to evaluate the coverage they need and get insured.”

“Beyond the insurance coverage aspect, people should develop a well-rounded Hurricane Plan to make sure they are prepared and protected in the event a storm hits. This takes on even more importance as I look out of the NCOIL National Headquarters on the Shark River in New Jersey which feeds into the Atlantic Ocean and think back to the devastation caused by the aftermath of Hurricane Sandy,” Considine concluded.

Additional information and resources about Hurricane Preparedness Week can be found at <https://www.noaa.gov/hurricane-prep>

**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 reach out to Pat Gilbert at [pgilbert@ncoil.org](mailto:pgilbert@ncoil.org) with any questions**

**LEGISLATOR STIPENDS NOW AVAILABLE FOR CONTRIBUTING STATES**

**CLICK HERE FOR MORE INFORMATION**

## Future NCOIL Meetings:

Summer 2023  
July 19 –22  
Minneapolis, MN  
Marriot Minneapolis  
City Center

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

## REGISTRATION FOR NCOIL SUMMER MEETING IS OPEN

Registration for the 2023 NCOIL Summer Meeting at the Marriott Minneapolis City Center in Minneapolis, MN from July 19th—22nd is open.



*For registration information please click [here](#)*

*The early bird rate closes on **June 5th***

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

**DON'T FORGET TO BOOK YOUR HOTEL!!!**

*The hotel block closes on **June 20th***

Legislators book here:



General Participants book here:



## REGISTRATION FOR NCOIL OPEN GOLF OUTING TO BENEFIT THE ILF SCHOLARSHIP FUND



NCOIL is pleased to announce the Second NCOIL Open Golf Outing to Benefit the Insurance Legislators Foundation (ILF) Scholarship Fund. The event will take place on July 19th at Majestic Oaks Golf Club in Ham Lake, MN immediately preceding the 2023 NCOIL Summer Meeting. The format will be a scramble shotgun starting at 12:30 PM CT.

*For registration information please click [here](#)*

## 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  
TBD

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

Annual 2026  
TBD

## NCOIL One on One

NCOIL One on One Interview with New Jersey Senator Nellie Pou is out now. Click the link [here](#) to check it out!

If you haven't had a chance to watch NCOIL One on One 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, 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, and UT Rep. Jim Dunnigan please visit our YouTube channel [here](#).



Thank you to everyone who has participated so far!

## 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/UCe09Z77z4q6HG1kv3fDG7Bq>

## Capital Corner (cont'd)

The aforementioned state bills contain a wide range of provisions such as:

- Prohibiting public adjusters from contracting with anyone other than the named insured without the insured's written consent. If the public adjuster does contract with a third party, the third party must pay the fee and not the insured.<sup>5</sup>
- Allowing policyholders to cancel a public adjuster contract within 30 days of the loss if the loss was caused by a declared emergency, or within 10 days of signing the contract.<sup>6</sup>
- Requiring public adjuster contracts to be in writing and contain a statement that the adjuster will not have an interest in any firm that performs any work as a result of the loss.<sup>7</sup>
- Capping public adjuster fees for residential properties to 10% of the loss.<sup>8</sup>
- Requiring public adjusters to give insureds a copy of the signed contract.<sup>9</sup>
- Requiring public adjusters to disclose any financial interest they have in parties that are involved in a property claim and prohibiting public adjusters from acting as a restoration contractor on the same claim.<sup>10</sup>

<sup>5</sup>Florida HB 1185

<sup>6</sup>Id.

<sup>7</sup>Georgia HB 222

<sup>8</sup>Illinois SB 1495

<sup>9</sup>Id.

<sup>10</sup>Indiana HB 1329

## NCOIL May Twitter Activity:

May 15, 2023

During Mental Health Awareness Month, NCOIL recognizes the strides that have been made to break the stigma surrounding mental illness as well as the work still ahead to ensure access to quality mental healthcare for all.

Mental illness is every bit as serious as physical illness, and both deserve equal attention, support, and resources to ensure individuals receive the comprehensive care they need for their overall well-being.

At its upcoming Summer Nat'l Mtg in Minneapolis, NCOIL will be holding a general session focused on developments in mental health parity laws & regulations.

## Capital Corner (cont'd)

- Prohibiting public adjusters from charging percentage-based fees if an insurer pays a claim within five days of receiving notice of a loss.<sup>11</sup>
- Prohibiting public adjusters from owning any interest in salvage companies that obtain business from a claim.<sup>12</sup>
- Requiring public adjusters to use specific contract forms approved by the Department of Insurance.<sup>13</sup>
- Increasing the amount of the required surety bond for licensure.<sup>14</sup>

At the upcoming Summer Meeting in Minneapolis, the Property & Casualty Insurance Committee will begin discussing these state approaches and the public adjuster profession in general with an eye towards developing a Model Law for states to consider adopting. Kentucky Representative Michael Meredith, a sponsor of the Kentucky law cited above, has announced his intent to sponsor the NCOIL Model, and Indiana Representative Matt Lehman, NCOIL Immediate Past President and sponsor of the Indiana law cited above, has joined as a co-sponsor.

Representatives from both public adjuster trade associations, the National Association of Public Insurance Adjusters and the American Association of Public Insurance Adjusters, will be attending the NCOIL Summer Meeting to participate in this initial discussion. The first draft of the Model will appear in the 30-day materials for the NCOIL Summer Meeting.

Please submit any thoughts or comments on this issue to [wmelofchik@ncoil.org](mailto:wmelofchik@ncoil.org).

### **The Ongoing Commitment to Achieve Mental Health Parity**

The need for behavioral health care has steadily risen throughout the past several years. In 2020, the Substance Abuse and Mental Health Services Administration (SAMHSA) estimated that 52.9 million adults had a mental illness and 40.3 million people aged 12 and up had a substance use disorder<sup>15</sup>. The COVID-19 pandemic appears to have exacerbated the problem; in a survey conducted in June and July of 2021, 48% of young adults aged 18 to 25 reported symptoms of anxiety, depression, or both.<sup>16</sup>

Requiring insurers to cover behavioral health care at the same level at which they cover medical and surgical health care has been an ongoing effort for years at both the federal and state level.

In 2008, Congress enacted the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act (MHPAEA), requiring that coverage for mental health and substance use disorder treatment cannot be more restrictive than coverage for other medical treatment. The law applies to most commercial insurance plans, Medicaid managed care, and the Children's Health Insurance Program (CHIP) but not Medicare.

<sup>11</sup>Id.

<sup>12</sup>Kentucky HB 232

<sup>13</sup>Id.

<sup>14</sup>Id.

<sup>15</sup><https://www.samhsa.gov/data/sites/default/files/reports/rpt35325NSDUHFFRPDFWHTML-Files2020/2020NSDUHFFR1PDFW102121.pdf>

<sup>16</sup><https://www.ucsf.edu/news/2022/04/422611/48-young-adults-struggled-mental-health-mid-2021>

## Capital Corner (cont'd)

### Sponsorship Opportunities for Upcoming NCOIL Events:

Sponsorships for the NCOIL Summer Meeting & NCOIL Open Golf Outing to Benefit the ILF Scholarship Fund are still available

Click [here](#) to see sponsorship opportunities for the Summer Meeting

Click [here](#) to see sponsorship opportunities for the Golf Outing

While there have been signs of improvement with regard to insurer compliance with MHPAEA<sup>17</sup>, much work is still needed to achieve full parity as indicated by a report to Congress from the Departments of Labor, Health and Human Services, and the Treasury<sup>18</sup>. Federal and state lawmakers have been working on different policy proposals to reach full parity. Federal legislation has been introduced that would: require parity for mental and behavioral health services in Medicare Advantage, Medicare's voluntary prescription drug program, and the broader Medicaid program; and incentivize integrating mental and physical care by increasing reimbursement rates for Medicare and Medicaid<sup>19</sup>. State legislative efforts in the mental health parity area have focused on requiring: insurance companies to demonstrate compliance; insurance departments to report on compliance; coverage of more mental illnesses and substance use disorders; and greater transparency by insurance providers<sup>20</sup>.

Additionally, Colorado has passed a bill that is awaiting the Governor's signature that limits step therapy to a single "step" before the insurer will cover the physician-preferred drug for patients with serious mental illnesses (SMIs)<sup>21</sup>. And a bill has been introduced in Kentucky, sponsored by Rep. Rachel Roberts (Vice Chair of the NCOIL Health Insurance & Long Term Care Issues Committee), that, among other things, requires certain health insurance policies to provide coverage for an annual mental health wellness examination of at least 45 minutes provided by a mental health professional<sup>22</sup>.

At the upcoming NCOIL Summer Meeting in July, a general session will be held discussing these issues and other federal and state developments in mental health parity. Rep. Roberts has also expressed interest in offering her Kentucky bill as the starting point for development of an NCOIL Mental Health Parity Model Law following the Summer Meeting.

Please submit any thoughts or comments on this issue to [wmelofchik@ncoil.org](mailto:wmelofchik@ncoil.org).

### **Silicon Valley Bank, Signature Bank, and First Republic Bank Failures: Are We in a Banking Crisis?**

The events leading up to and surrounding the closure of Silicon Valley Bank (SVB), Signature Bank, and First Republic Bank have dominated financial news headlines the past several weeks. When something so drastic as the closure of those banks occurs, naturally there are calls to enact new policy to guard against future similar events.

For example, earlier this month, the Federal Deposit Insurance Corporation (FDIC) released a comprehensive overview of the deposit insurance system and options for reform to address financial stability concerns stemming from recent bank failures. The report, "Options for Deposit Insurance Reform," examines the role of deposit insurance in promoting financial stability and preventing bank runs, as well as policies and tools that may complement changes to deposit insurance coverage<sup>23</sup>.

As part of its analysis, the FDIC outlines three options for deposit insurance reform:

- Limited Coverage: Maintaining the current deposit insurance framework, which provides insurance to depositors up to a specified limit (possibly higher than the current \$250,000 limit) by ownership rights and capacities.
- Unlimited Coverage: Extending unlimited deposit insurance coverage to all depositors.
- Targeted Coverage: Offering different deposit insurance limits across account types, where business payment accounts receive significantly higher coverage than other accounts.

<sup>17</sup><https://news.bloomberglaw.com/employee-benefits/insurers-show-signs-of-meeting-mental-health-parity-requirements>

<sup>18</sup><https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/laws/mental-health-parity/report-to-congress-2022-realizing-parity-reducing-stigma-and-raising-awareness.pdf>

<sup>19</sup><https://www.washingtonpost.com/politics/2023/03/24/what-next-push-mental-health-parity-might-look-like/>

<sup>20</sup>[https://www.csg.org/wp-content/uploads/sites/7/2021/09/Mental\\_Health\\_Parity.pdf](https://www.csg.org/wp-content/uploads/sites/7/2021/09/Mental_Health_Parity.pdf)

<sup>21</sup><https://leg.colorado.gov/bills/hb23-1130>

<sup>22</sup><https://apps.legislature.ky.gov/record/23rs/hb208.html>

<sup>23</sup><https://www.fdic.gov/news/press-releases/2023/pr23035.html>

## Capital Corner (cont'd)

Also, the U.S. House Financial Services Committee's Subcommittee on Financial Institutions and Monetary Policy held a hearing earlier this month titled "Federal Response to Recent Bank Failures."<sup>24</sup> The hearing discussed several pieces of proposed legislation aiming to implement certain safeguards such as requiring the head of each Federal banking agency (FDIC, OCC, NCUA) to testify semi-annually before the House Financial Services Committee and Senate Banking Committee (currently, only the Fed's Vice Chair for Supervision has a testimony requirement), and expanding the reporting requirements for each Federal banking agency relating to their supervision activities, including providing confidential reports to the Chair and Ranking Member of the House Financial Services Committee and Senate Banking Committee.<sup>25</sup>

These bank failures have also highlighted critical lessons for the insurance industry such as the importance of managing enterprise, asset-liability and liquidity risks. As set forth in commentary by AM Best, while many insurers depend on banks for operational aspects and are generally not as vulnerable to bank run-on scenarios, the bank failures emphasize the importance of a robust risk management structure, especially for annuity writers in a rising interest rate environment<sup>26</sup>. The commentary goes on to say that insurers that conduct detailed analysis on the impact of rising interest rates on their asset-liability portfolios and manage their impacts through capital and other risk management tools will fare better in those events than those that are less well-managed<sup>27</sup>.

At the upcoming NCOIL Summer Meeting in July, a general session will be held discussing the recent bank failures. Sridhar Manyem, Senior Director of Industry Research at AM Best, and one of the authors of the abovementioned commentary, will be participating along with Aaron Klein, Senior Fellow at The Brookings Institution and former Deputy Assistant Secretary for Economic Policy at the Department of Treasury where he worked on financial regulatory reform issues including crafting and helping secure passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Please submit any thoughts or comments on this issue to [wmelofchik@ncoil.org](mailto:wmelofchik@ncoil.org).

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

*-will*

### Things to See in Minneapolis:

[Chain of Lakes Regional Park](#)

[Guthrie Theater](#)

[Mall of America](#)

[Minneapolis Institute of Art](#)

[Minneapolis Sculpture Garden](#)

[Minnehaha Park](#)

[Minnesota State Capitol](#)

[Target Field](#)

### Minnesota State Capitol Tour:

On Wednesday, July 19th, there is a tour of the Minnesota State Capitol arranged at 3 PM. If you are interested in attending, please reach out to Pat Gilbert at [pgilbert@ncoil.org](mailto:pgilbert@ncoil.org) to secure your spot as space is limited.

<sup>24</sup><https://docs.house.gov/meetings/BA/BA20/20230510/115890/HHRG-118-BA20-20230510-SD002.pdf>

<sup>25</sup>Id.

<sup>26</sup><https://news.ambest.com/presscontent.aspx?refnum=33136&altsrc=2>

<sup>27</sup>Id.



## 2023 NCOIL Summer Meeting Schedule

### In Case You Missed It:

The NCOIL Health Insurance & Long Term Care Issues Committee recently held an Interim Zoom Meeting on May 19th

You can view a recording of the Meeting on the NCOIL YouTube Channel [here](#)

You can view the meeting minutes on the NCOIL website [here](#)

### WEDNESDAY, JULY 19TH

Budget Committee	9:30 AM - 10:00 AM
Audit Committee (Members Only)	10:00 AM - 10:30 AM
NCOIL Open Golf Outing to Benefit the ILF Scholarship Fund	12:30 PM
Tour of the Minnesota State Capitol	3:00 PM
IEC Board Meeting	4:30 PM - 5:15 PM
Welcome Reception and Presentation of Golf Outing Awards	6:00 PM - 7:30 PM

### THURSDAY, JULY 20TH

Welcome Breakfast	8:15 AM - 9:45 AM
Networking Break	9:45 AM - 10:00 AM
General Session	10:00 AM - 11:30 AM
Joint State-Federal Relations & International Insurance Issues Committee	11:30 AM - 1:00 PM
The Institutes Griffith Foundation Legislator Luncheon	1:00 PM - 2:00 PM
Health Insurance & Long Term Care Issues Committee	2:00 PM - 3:45 PM
Networking Break	3:45 PM - 4:00 PM
Financial Services & Multi-Lines Issues Committee	4:00 PM - 5:15 PM
CIP Member & Sponsor Reception	6:00 PM - 7:00 PM

### FRIDAY, JULY 21ST

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 - 1:30 PM
General Session	1:30 PM - 3:00 PM
Life Insurance & Financial Planning Committee	3:00 PM - 4:15 PM
Articles of Organization & Bylaws Revision Committee	4:15 PM - 4:45 PM

### SATURDAY, JULY 22ND

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
Executive Committee	12:30 PM - 1:00 PM