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NCOIL MOVES FORWARD WITH MARKET CONDUCT DATA RULES

Boston, Massachusetts, July 11, 2010 — The National Conference of Insurance Legislators (NCOIL) on Friday finalized language on first-of-its-kind model legislation to regulate the use and collection of market conduct annual statement (MCAS) data. The NCOIL State-Federal Relations Committee adopted several remaining amendments to a *Market Conduct Annual Statement Model Act* but deferred a final vote on the proposal to the Annual Meeting in November in response to requests by the National Association of Insurance Commissioners (NAIC) and other certain interested parties.

Sen. James Seward (NY), NCOIL immediate past president and model bill sponsor, said:

Our legislation should provide legal certainty for collecting and handling MCAS data. We began developing the model last year to provide states with recommended rules to govern MCAS and to authorize regulators to collect and share information that should benefit their company and market analysis efforts. Together with an NCOIL *Market Conduct Surveillance Model Law*, we believe that we have developed comprehensive proposals to promote regulatory uniformity across the states.

The NCOIL model would authorize a regulator to annually collect MCAS data and provide a framework of confidentiality for the collection and sharing of the information. It would base insurer participation on a nationwide \$100,000 premium threshold. The model bill would also allow state insurance commissioners to confidentially share MCAS data with other entities, including with the National Association of Insurance Commissioners (NAIC), among other things.

Amendments accepted on Friday included a proposal to focus the scope of the model on the MCAS as it is adopted and modified by the NAIC, subject to approval by state legislators or insurance regulators. Legislators also clarified definitions of “insurer” and “designee” and revised the bill’s purpose section to target data collection and sharing.

NCOIL State-Federal Relations Committee Chair Rep. Greg Wren (AL) added, “We deferred a final vote on the model until our November meeting to allow the NAIC to further elaborate on the MCAS process and its relationship to the proposed model. At that meeting, we will also continue discussing consumer access to company and market information.”

The NCOIL model was introduced at the 2009 NCOIL Spring Meeting and was debated at the 2009 Summer and Annual and 2010 Spring Meetings. The Committee met four times via conference call after the Spring Meeting to work through interested-party suggestions that were recommended by the Center for Economic Justice (CEJ), America's Health Insurance Plans (AHIP), and several property-casualty insurers and trade associations.

The State-Federal Relations Committee considered the model bill on the third day of the NCOIL Summer Meeting here. The NCOIL Meeting is being held at the Boston Park Plaza.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

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