

Models Adopted or Revised Since 2007

1st Quarter 2007:

Model Laws:

1. Group Health Insurance Standards Model Act (# 100)

The Health Insurance and Managed Care (B) Committee adopted several revisions to this model on December 10, 2006. Previously this model was titled “Group Health Insurance Definition and Group Health Insurance Standard Provisions Model Act. Section 8 was revised to permit an insurer to rescind coverage for intentional fraud after the policy had been in force for two (2) years. In addition, Subsection 8F was amended to permit a 24-month look forward and 24-month look backward for disability income policies when applying a preexisting condition exclusion provision. The amended model also contains new provisions related to group associations that help ensure that these associations are legitimate entities.

2. Insurer Receivership Model Act (IRMA) (# 555) (Section 712)

During the December 2006 National Meeting, the Financial Condition (E) Committee adopted new section that permits guaranty associations to directly receive reimbursements on payments of large deductible claims. This section was referred to as the “Delaware Proposal.” Under this proposal, large deductible reimbursements remain part of the receivership estate but guaranty associations have early access to these funds.

3. Insurer Receivership Model Act (IRMA) (# 555) (Section 801)

During the December 2006 Meeting, the Financial Condition (E) Committee amended Section 801. This amendment affects mortgage guaranty and financial guaranty insurance policies. The E Committee considered whether the Receivership and Insolvency Task Force fully vetted interested parties comments prior to adopting the amendment.

4. Model Regulation to Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act (# 651)

The Health Insurance and Managed Care (B) Committee approved amendments to this model during a conference call held on Feb. 26, 2007. These amendments modernize the lineup of Medicare Supplement and benefit plan designs. The amended model eliminates unnecessary and duplicative plans (E, H, I and J), adds new benefit plan options (M and N), eliminates at home recovery in favor of a new hospice benefit and eliminates the preventive care benefit.

5. Model Regulation to Implement the Small Employer Health Insurance Availability Model Act (Prospective Reinsurance With or Without an Opt-Out) (# 119)

The Health Insurance and Managed Care (B) Committee adopted amendments to this model during the December 2006 National Meeting. This regulation was amended to account for the final Health Insurance Portability and Accountability Act (HIPAA) group portability regulations. This model was also amended to reflect the rating provisions in the NAIC's Small Employer Health Insurance Availability Model Act (# 118).

6. Small Employer Health Insurance Availability Model Act (# 118)

The Health Insurance and Managed Care (B) Committee adopted amendments to this model during the December 2006 National Meeting. These revisions are consistent with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) group portability regulations. The previous Subsection 7C(8)(d) prohibited a small employer carrier from increasing requirements for minimum employee participation or modifying requirements for minimum employer contributions. These revisions provide an exception to this prohibition by permitting a small employer carrier to modify any requirement for minimum employee participation at the time of renewal of the coverage provided the new minimum participation requirements apply to all small employers with the same number of employees.

2nd Quarter 2007:

Model Laws:

1. Military Sales Practices Model Regulation (# 568)

The Plenary adopted the Military Sales Practices Model Regulation during the Executive/Plenary joint session held on June 4, 2007. The purpose of this regulation is to establish standards that will protect active duty service members of the United States Armed Forces from dishonest and predatory insurance sales practices. This regulation identifies certain sales practices as false, misleading, deceptive or unfair. The Executive Committee previously decided on June 3, 2007 that this regulation met the necessary criteria to become a NAIC model regulation.

2. Viatical Settlements Model Act (# 697)

The Plenary adopted the amendments to the Viatical Settlements Model Act during the Executive/Plenary joint session held on June 4, 2007. The Executive Committee decided on June 3, 2007 that this act met the necessary criteria to become a NAIC model law. The amendments to this model address a new type of

life settlement called stranger-originated life insurance (SOLI). SOLI is a type of life insurance policy entered into by an applicant with a prearranged agreement and intent to sell the policy to a third party who has no insurable interest in the applicant after the two-year incontestability period ends. Other revisions tighten up the regulation of the life settlement industry as a whole by requiring additional meaningful disclosures for consumers seeking to settle an existing life insurance policy in the secondary market. The model also provides additional regulatory tools to ensure that whenever a consumer is harmed by the acts of a viatical settlement broker or provider doing business in any state, the consumer can be made whole.

Guidelines:

1. Guidelines for Regulation and Legislation on Workers' Compensation Coverage for Professional Employer Organization Arrangements (# 1950)

The Plenary adopted this guideline during the Executive/Plenary joint session held on June 4, 2007. The purpose of this guideline is to ensure that professional employer organizations (PEOs) and their clients properly obtain workers' compensation insurance coverage for all of their employees and that the premium paid is commensurate with the anticipated claims experience. The scope of this guideline is limited to issues related to workers' compensation insurance and is not intended to be a comprehensive regulatory framework for the PEO industry.

2. Guideline Amendments: Prepaid Limited Health Service Organization Model Act (# 68)

The Plenary adopted amendments to this model as a guideline on June 4, 2007. These amendments specifically apply to Medicare Prescription Drug Plans (PDPs). These amendments also change financial requirements so that prepaid limited health service organizations are required to maintain a minimum tangible net equity equal to the greater of \$ 100,000 or the amount required under the NAIC Risk Based Capital for Health Organizations Model Act.

3. Guideline Amendments: Prevention of Illegal Multiple Employer Welfare Arrangements (MEWAs) and Other Illegal Health Insurers Model Regulation (# 220)

The Plenary adopted the *Reporting Form – Unauthorized MEWA or Health Coverage Program* as a guideline on June 4, 2007.

3rd Quarter 2007:

Model Laws:

1. Long-Term Care Insurance Model Act (# 640)

The Plenary adopted amendments to this model during the 2007 Fall National Meeting. The Executive Committee approved these amendments for model law development on June 3, 2007. These amendments are technical revisions to the recently adopted producer training requirements. Section 9 gives licensed agents a year-long grace period to comply with the model's requirements. These revisions clarify the original intent of Section 9, which was to require all agents to receive the initial 8-hour training and 4-hour ongoing training.

Guidelines:

There were no guidelines adopted during the Third Quarter of 2007.

4th Quarter 2007:

Model Laws:

There were no model laws adopted during the Fourth Quarter of 2007.

Guidelines:

1. Automobile Insurance Fraud Guidelines (# 1694)

The Plenary adopted this Guideline during the 2007 Winter National Meeting. This Guideline creates a "runner" and "cappers" law for the states to utilize in order to restrict access to police reports and prevent the solicitation of accident victims.

2. Financial Guaranty Insurance Guideline (# 1626)

The Plenary adopted this Guideline during the 2007 Winter National Meeting. This Guideline was formerly model # 626 – Financial Guaranty Insurance Model Act. Revisions include changing the definition of "financial guaranty insurance," clarifying the scope of obligations and adding several subsections.

3. Guidelines for Regulations and Legislation on Workers' Compensation Coverage for Professional Employer Organization Arrangements (# 1950)

The Property and Casualty (C) Committee adopted amendments that added a drafting note to Section 12 and broadened Subsection 12(A) during a conference

call held on November 14, 2007. The Plenary adopted these amendments during the 2007 Winter National Meeting.

1st Quarter 2008:

Model Laws:

1. Determining Reserve Liabilities for Pre-need Life Insurance Model Regulation (# 817)

This model regulation designates the 1980 CSO Mortality Table as the authority used to establish minimum reserves for pre-need insurance. Reserves are one of the primary measures of financial solvency and should be uniform and transparent among all states. This model allows companies that have already switched to the 2001 CSO Mortality Table to transition to the 1980 CSO over time. On January 12, 2012, all companies are required to file policy forms with the 1980 CSO as the minimum standard. The Life Insurance and Annuities (A) Committee adopted this model during a conference call held on March 24, 2008. The Plenary adopted the model regulation on March 31, 2008.

Guidelines:

There were no guidelines adopted during the First Quarter of 2008.

2nd Quarter 2008:

Model Laws:

1. Uniform Health Carrier External Review Model Act (# 76)

The Plenary adopted this new model law during the 2008 Summer National Meeting. This new model provides uniform standards for the establishment and maintenance of external review procedures to assure that covered persons have the opportunity for an independent review of an adverse determination or final adverse determination.

Guidelines:

1. Filing Procedures for Compliance with the Provisions of the Terrorism Risk Insurance Program Reauthorization Act of 2007

The Plenary adopted this bulletin during the 2008 Summer National Meeting. This bulletin addresses changes to the Terrorism Risk Insurance Program (TRIP) that will occur in light of the enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA).

2. Senior Citizens Beware – Question Credentials of So-Called “Senior Specialists”; Insurer and Producer Bulletin

The Plenary adopted the draft insurer and producer bulletin and draft consumer alert during the 2008 Summer National Meeting. This bulletin was developed in response to a hearing held by the Senate Special Committee on Aging in September, 2007. The bulletin and the alert are for use by state insurance departments to make seniors aware as well as caution insurers and producers about the use of senior designations in the sale of insurance and annuity products. It is alleged that individuals, some of whom are insurance producers, are using these new “senior” designations as a means to mislead senior citizens as to the individual’s investment and financial expertise.

3. Unfair Trade Practices Act (# 880)

The Plenary adopted guideline amendments concerning the issue of life insurance travel underwriting during the 2008 Summer National Meeting. The purpose of these amendments is to prohibit unfair discrimination based on an individual’s past or future lawful travel plans. The Life Insurance and Annuities (A) Committee adopted these travel underwriting revisions during the 2008 Spring National Meeting.

3rd Quarter 2008:

Model Laws:

1. Medical Professional Liability Closed Claims Reporting Model Law (# 77)

The Plenary adopted this new model law during the 2008 Fall National Meeting by a two-thirds majority of the membership. This model was drafted in response to the need for states, both individually and collectively, to have a better system of collecting information on closed claims in order to assist public policymakers addressing the availability and affordability of medical professional liability insurance.

2. Model Regulation on the Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities (# 278)

The Plenary adopted this new model regulation during the 2008 Fall National Meeting by a two-thirds majority of the membership. This model was approved for development in June, 2008. The purpose of this regulation is to establish standards and make it an unfair and deceptive act or practice for an insurance producer to use a senior-specific certification or professional designation that indicates, implies or misleads a purchaser or prospective purchaser that the insurance producer has special certification or training in advising or servicing

seniors in connection with the solicitation, sale or purchase of a life insurance or annuity product.

3. Model Regulation to Define Standards and Commissioner's Authority for Companies Deemed to be in Hazardous Financial Condition (# 385)

The Plenary adopted amendments to this model during the 2008 Fall National Meeting by a two-thirds majority of the membership. The purpose of this regulation is to set forth the standards which the commissioner may use for identifying insurers found to be in such condition as to render the continuance of their business hazardous to their policyholders, creditors or the general public.

4. Model Regulation to Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act (# 651)

The Plenary adopted two separate amendments to this model regulation during the 2008 Fall National Meeting by a two-thirds majority of the membership. The Genetic Information Nondiscrimination Act (GINA) prohibits employers and insurers from using genetic information when making employment or coverage decisions. Section 24 of the amended model includes the GINA Revisions. The Medicare Improvements for Patients and Providers Act (MIPPA) provides authorization for NAIC and CMS to implement the 2007 changes made to this model in updating the 2010 Medigap Plans.

Guidelines:

1. Guidelines for the Filing of Workers' Compensation Large Deductible Policies and Programs (# 1970)

The Plenary adopted this new guideline during the 2008 Fall National Meeting. The intent of these guidelines is to give states suggested approval guidelines for large deductible policies and programs that are consistent with that detailed study, and to give a few comments on the reasoning behind some of them.

2. Independent Adjuster Licensing Guideline (# 1224)

The Plenary adopted this new guideline during the 2008 Fall National Meeting. This guideline provides uniform resident licensing standards among the states, while allowing a properly licensed independent adjuster, through reciprocity, to become licensed in as many states as dictated by insurer needs. The purpose of this guideline is to govern the qualifications and procedures for licensing independent adjusters and to specify the duties of and restrictions on the independent adjuster.

3. Model Act on Custodial Agreements and Use of Clearing Corporations (# 295)

The Plenary adopted guideline amendments to this model law during the 2008 Fall National Meeting. These amendments allow the Federal Home Loan Banks to be considered authorized custodians. This change was in response to an in-depth review of the capital requirements, regulatory oversight, custodial controls and standards in place at the Federal Home Loan Banks.

4. Model Regulation on Custodial Agreements and Use of Clearing Corporations (# 298)

The Plenary adopted guideline amendments to this model regulation during the 2008 Fall National Meeting. These amendments allow the Federal Home Loan Banks to be considered authorized custodians. This change was in response to an in-depth review of the capital requirements, regulatory oversight, custodial controls and standards in place at the Federal Home Loan Banks.

4th Quarter 2008:

Model Laws:

There were no model laws adopted during the Fourth Quarter of 2008.

Guidelines:

There were no guidelines adopted during the Fourth Quarter of 2008.