
California

From: Laucher, Joel
Sent: Tuesday, August 04, 2009 12:05 PM
To: Leonard, Craig
Cc: Cignarale, Anthony
Subject: Sample Accreditation Plan Elements

My comments on the discussion draft...

I think the general step-ladder of the sample Accreditation Plan components makes sense.

I know we're not really talking about specifics, but I think item 10 could probably be subsumed in item 1, items 12 and 13, although perhaps worthy of mention, should also be subsets of item 1. I would probably leave steps 14, 18, and 21 from an initial accreditation plan. My general point is that I would keep the plan limited to the most important regulatory concerns and eliminate the steps that would be nice, even important - but not as important, for later.

As much as states may want to avoid this consideration, I think the adoption of a plan will require certain prescribed minimum standards, such as additional analysis conducted on any insurer in the top 10% of the state's baseline analysis, may be necessary in order to make it clear what plan will be acceptable and what won't (with states free to exceed the minimum standards). Otherwise, whoever is going to evaluate the accreditation plan will be operating without clear standards - what we all know of as underground regulations.

While I don't think it's a good idea to "dumb down" the market regulation process, I think it's important to set reachable standards that the majority of states can meet so that we're assured some minimal amount of regulation is taking place nationally. States would still have the freedom to do what they need to get done to satisfy their own concerns. Over time, the standards can be moved up so that general reliance on fellow state regulators increases. I think it's this desire to jump in with both feet that is stalling/undermining both the market analysis and accreditation processes and causing frustration. Both need to be incorporated incrementally into our regulation framework.

Regards,
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