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*NAIC 2009 Summer National Meeting
Minneapolis, Minnesota*

**Jt. Executive (EX) Committee/Plenary
Monday, June 15, 2009
10:00 a.m. – 12:00 p.m.
Minneapolis Convention Center—Ballroom A/B**

**Written Summary Report on the
State Implementation Efforts of NAIC Adopted Model Laws and Regulations**

Amendments to Viatical Settlements Model Act (#697)—since the last quarterly update at the Spring National Meeting, 11 states have enacted legislation related to viatical/life settlements. Legislation is still pending in a number of states. Since 2007, 23 states have enacted legislation on the subject. NAIC staff will continue to track state legislative activity and provide updates at each national meeting. For additional information and updates, please contact Jolie Matthews, NAIC Sr. Health Policy and Legislative Analyst and Counsel, jmatthew@naic.org.

Use of Senior Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities Model Regulation (#278)—since the last quarterly update, 9 states have adopted legislation or regulations that are substantially similar to the NAIC model regulation. Seven states have started the legislative or the rulemaking process related to the NAIC model regulation. NAIC staff will continue to track legislative and regulatory activities for this model throughout the year. For additional information and updates, please contact Jolie Matthews, NAIC Sr. Health Policy and Legislative Analyst and Counsel, jmatthew@naic.org.

Amendments to Model Regulation to Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act (#651)—revisions to the Medicare Supplement Insurance Model Regulation were adopted during the Jt. Executive (EX) Committee/Plenary session on Sept. 24, 2008. These revisions implemented major changes to Medicare supplement plans and benefits first approved by the NAIC in March 2007. The revisions also made changes in compliance with the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) and the Genetic Information Nondiscrimination Act of 2008 (GINA). States must adopt the GINA revisions by July 1, 2009, in order to enforce the GINA requirements, and the revisions required by MIPPA by Sept. 24, 2009, in order to continue to regulate the Medicare supplement market.

The NAIC and the Center for Medicare & Medicaid Services (CMS) surveyed the states as to their implementation status and 47 states responded to the inquiry. As of May 8, 2009, 13 of the 47 responding states have completed final adoption of the new rules. Of the responding states that have not yet completed adoption, all have taken substantial steps towards adopting—including holding public hearings, undergoing legislative review, publishing draft regulations, or in some cases legislation has already been approved and is simply awaiting signature by the Governor.

The majority of responding states (40 out of 47) do not require approval by their state legislature to adopt the required changes. Of the 7 states requiring legislature approval, 3 have already completed the process and have enacted legislation. Of the 40 states able to adopt the changes through their regulatory process, 10 have already completed that process. Note, in a few states, legislature approval is required for the GINA changes, but MIPPA-related changes can be handled through the state regulatory process.

Virtually every state has reported they expect to have their revised rules in place by the deadlines set by GINA and MIPPA. The list of states that have completed adoption will also continue to grow quickly this month, as we are approaching the July 1, 2009 deadline set by GINA and many states are finalizing adoption this month in order to meet that deadline. NAIC staff will continue to track state legislative and regulatory activity concerning implementation of these changes until all states have completed implementation. Questions or requests for additional information may be sent to Jane Sung, NAIC Sr. Health Policy Analyst and Counsel, jsung@naic.org.

Uniform Health Carrier External Review Model Act (#76)—based on information received from the states, earlier in the year, concerning their intentions regarding the adoption of the Uniform Health Carrier External Review Model Act, approximately, 4 states indicated their intent to introduce legislation during the 2009 legislative session related to the model. To date, 1 state has enacted legislation substantially similar to the NAIC model law. With the assistance of the NAIC Legal Division, NAIC staff will be tracking this legislative activity throughout the year.

For additional information and updates, please contact Jolie Matthews, NAIC Sr. Health Policy and Legislative Analyst and Counsel, jmatthew@naic.org.

Medical Professional Liability Closed Claim Reporting Model Law (#77)—The Medical Professional Liability Closed Claim Reporting Model Law was adopted during the Jt. Executive (EX) Committee/Plenary session on Sept. 24, 2008. As of June 2009, we are not aware of any states adopting the model.

For additional information and updates, please contact Eric Nordman, NAIC Regulatory Services Director, enordman@naic.org.

Amendments to Model Regulation to Define Standards and Commissioner's Authority for Companies Deemed to be in Hazardous Financial Condition (#385)—NAIC staff surveyed the states in May 2009 to gather information from each state on plans to adopt the model revisions. Based on the survey results, 31 states plan to adopt the revisions, 6 states plan to adopt the revisions with minor changes, 2 states do not plan to adopt the revisions, 7 states are undecided and 5 states have not yet provided a response to the survey. Of the states who plan to adopt the revisions or adopt with minor changes, 13 states plan to complete the adoption in 2009; 7 in 2010; 2 in 2011; and 15 do not yet have a timeline for adoption. No states have indicated that problems are anticipated in adopting the model revisions. An update will be provided at the 2009 Fall National Meeting.

For additional information and updates, please contact Bruce Jenson, NAIC Manager II-Financial Examination, bjenson@naic.org.

Life and Health Insurance Guaranty Association Model Act (#520)—Since the adoption of the revised Model Act during the 2009 Spring National Meeting, a few states have approached their legislatures regarding the proposed increases to coverage limits for specific lines of business (e.g. TX and LA), legislation is still pending in those few states. However, as the adoption of the Model Act occurred in March 2009, most states have not had an opportunity to approach their legislatures regarding the proposed revisions.

NAIC staff will continue to track state legislative activity and provide updates at each NAIC quarterly meeting. For additional information and updates, please contact David Vacca, Assistant Director, Financial Analysis, dvacca@naic.org.

Property and Casualty Insurance Guaranty Association Model Act (#540)—since the adoption of the revised Model Act at the Spring National Meeting, most states have not had an opportunity to approach their legislatures regarding the proposed revisions.

NAIC staff will continue to track state legislative activity and provide updates at each NAIC quarterly meeting. For additional information and updates, please contact David Vacca, Assistant Director, Financial Analysis, dvacca@naic.org.

Model Audit Rule—this model is not being tracked since it was adopted prior to the new model law process. It is being included here to provide an update on its current status. The Model Audit Rule revisions were adopted June 11, 2006 by the NAIC and represent best practices for companies to follow related to corporate governance in three areas: auditor independence, corporate governance and internal control over financial reporting.

A uniform effective date of Jan. 1, 2010 gives states and companies sufficient time to prepare. The following states, 23 in all, have finalized orders to adopt these revisions into their amended regulations: Alabama, Connecticut, Delaware, Idaho, Illinois, Iowa, Kentucky, Massachusetts, Michigan, Minnesota, Mississippi, Nebraska, New Hampshire, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Virginia, West Virginia, Wisconsin and Wyoming. Six states: California, Indiana, Kansas, Nevada, Pennsylvania and Tennessee have publicly released proposed revisions to their regulations/statutes, but have not yet finalized the revisions. All states have indicated plans to adopt the revisions prior to the Jan. 1, 2010 effective date.