

Draft: 9/9/09

*2009 Fall National Meeting
Washington, DC*

**Jt. Executive (EX) Committee/Plenary
Wednesday, September 23, 2009
10:00 a.m. – 12:00 p.m.
Gaylord Convention Center—Potomac Ballroom A & B—Ballroom Level**

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

Amendments to Viatical Settlements Model Act (#697)—to date, 26 states have enacted legislation related to viatical/life settlements. Legislation is still pending in a few states. NAIC staff will continue to track state legislative activity for the remainder of the year. For additional information or updates, please contact Jolie Matthews, NAIC Sr. Health and Life Policy Advisor and Counsel, jmatthew@naic.org.

Use of Senior Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities Model Regulation (#278)—to date, 17 states have adopted legislation or regulations that are substantially similar to the NAIC model regulation. NAIC staff will continue to track legislative and regulatory activities for this model for the remainder of the year. For additional information and updates, please contact Jolie Matthews, NAIC Sr. Health and Life Policy Advisor 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, and 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 were required to adopt the GINA revisions by July 1, 2009, in order to enforce the GINA requirements. States must adopt the remainder of the revisions as required by MIPPA by Sept. 24, 2009, in order to continue to regulate the Medicare supplement market.

The NAIC and the Centers for Medicare and Medicaid Services (CMS) will be surveying the states for the second time as to their implementation status shortly after the Sept. 24, 2009 deadline. All states have either completed, or are working rapidly towards, final adoption of the model revisions. The vast majority of states have reported that they expect to have their revised rules in place by the Sept. 24, 2009 deadline set by MIPPA. Specific numbers for the states that met the deadline will be provided for the next update for the Winter National Meeting.

It is anticipated that CMS will work closely with states that do not adopt by Sept. 24, 2009 to monitor the timeline for their final adoption. The majority of states do not require approval by their state legislature to adopt the required changes and can adopt the revisions through their state regulatory process.

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, Sr. Health Policy Analyst and Counsel, jsung@naic.org.

Uniform Health Carrier External Review Model Act (#76)—to date, 1 state has enacted legislation substantially similar to the NAIC model law. NAIC staff will continue to track legislative activity for this model for the remainder of the year. For additional information and updates, please contact Jolie Matthews, NAIC Sr. Health and Life Policy Advisor 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 July, 26 States have adopted the Model or some variation thereof.

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

Amendments to Derivatives Instrument Model Regulation (#282)—Since the adoption of the revised Model Act at the Summer National Meeting, no states have had an opportunity to approach their legislatures regarding these proposed revisions.

For additional information and updates, please contact Dan Daveline, NAIC Financial Regulatory Services Department Assistant Director, ddavelin@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 August 2009 to gather information from each state on plans to adopt the model revisions. Alabama and Mississippi have finalized orders to adopt these model revisions. Based on the survey results, 31 states plan to adopt the revisions, 8 states plan to adopt the revisions with minor changes, 2 states do not plan to adopt the revisions, 5 states are undecided and 4 states have not yet provided a response to the survey. Of the states who plan to adopt the revisions or adopt with minor changes, 12 states plan to complete the adoption in 2009; 8 in 2010; 4 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 Winter 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, five states (e.g. DE, LA, RI, TX and VT) have approached their legislatures regarding the proposed increases to coverage limits for specific lines of business and/or other amendments suggested in the Model. Of those states, three states have passed the proposed changes and two states have the changes still pending. Overall, 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 2009 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, 31 in all, have finalized orders to adopt these revisions into their amended regulations: Alabama, Arizona, Connecticut, Delaware, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Utah, Virginia, West Virginia, Wisconsin and Wyoming. Four states (Arkansas, California, Nevada 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.

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