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2009 Winter National Meeting
San Francisco, CA

Jt. Executive (EX) Committee/Plenary
Monday, December 7, 2009
10:00 a.m. – 12:00 p.m.
Hilton San Francisco—Grand Salon B—Grand Ballroom Level

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

Use of Senior Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities Model Regulation (#278)—To date, 21 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 in 2010. For additional information and updates, please contact Jolie Matthews, NAIC Sr. Health and Life Policy Advisor and Counsel, jmatthew@naic.org.

Amendments to Viatical Settlements Model Act (#697)—To date, 29 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.

Amendments to Model Regulation Permitting the Recognition of Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities (#815)—This model was adopted by the Executive (EX) Committee/Plenary at the 2009 Fall National Meeting. NAIC staff will continue to track state legislative activity in the coming year. For additional information or updates, please contact John Engelhardt, NAIC Chief Managing Actuary, Life/Health, jengelha@naic.org.

Amendments to Standard Valuation Law (#820)—This model was adopted by the Executive (EX) Committee/Plenary at the 2009 Fall National Meeting. NAIC staff will continue to track state legislative activity in the coming year. For additional information or updates, please contact John Engelhardt, NAIC Chief Managing Actuary, Life/Health, jengelha@naic.org.

Amendments to Actuarial Opinion and Memorandum Regulation (#822)—This model was adopted by the Executive (EX) Committee/Plenary at the 2009 Fall National Meeting. NAIC staff will continue to track state legislative activity in the coming year. For additional information or updates, please contact John Engelhardt, NAIC Chief Managing Actuary, Life/Health, jengelha@naic.org.

Amendments to Long-Term Care Insurance Model Act (#640) and Long-Term Care Insurance Model Regulation (#641)—The revisions to models #640 and #641 that add an external review process for benefit triggers in long-term care insurance policies and prompt pay provisions were adopted by the NAIC Plenary at the 2009 Fall National Meeting. It is anticipated that the revisions to the *Long-Term Care Insurance Model Regulation* related to Appendix E will be adopted by the NAIC Plenary during this meeting. As such, NAIC staff plans to survey the states concerning state implementation efforts for both sets of revisions sometime prior to the 2010 Spring National Meeting. The results of this survey will be reported at the 2010 Spring National Meeting. For additional information and updates, please contact Jane Sung, NAIC Sr. Health Policy Analyst and Counsel, jsung@naic.org.

Amendments to Model Regulation to Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act (#651)—Revisions to model #651 were adopted by the Executive (EX) Committee/Plenary during the 2008 Fall National Meeting. 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 federal Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) and the federal Genetic Information Nondiscrimination Act of 2008 (GINA). The states were required to adopt the GINA revisions by July 1, 2009, in order to enforce the GINA requirements. MIPPA requires that states adopt the remainder of the revisions as required by MIPPA by Sept. 24, 2009, in order to continue to regulate the Medicare supplement market.

Currently, 46 jurisdictions (including District of Columbia) have adopted the NAIC model revisions pursuant to GINA and MIPPA. Three states (Wisconsin, Minnesota and Massachusetts) are waived from the federal requirements. Of the two remaining states, one is expected to be completed this week and the other is also working rapidly toward final adoption. The NAIC will continue to work with the U.S. Centers for Medicare & Medicaid Services (CMS) to monitor the timeline for final adoption by all states.

NAIC staff will continue to track state implementation activity regarding these changes. A subgroup of state insurance regulators has been working to respond to implementation questions as they arise. For additional information and updates, please contact Jane Sung, NAIC Sr. Health Policy Analyst and Counsel, jsung@naic.org.

Uniform Health Carrier External Review Model Act (#76)—To date, at least 47 states, including one state that has adopted this model, have adopted some form of an external review law. NAIC staff will continue to track legislative activity for this model next 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)—This model was adopted by the Executive (EX) Committee/Plenary at the 2008 Fall National Meeting. To date, two states have adopted the model and 28 states have related activity. For additional information and updates, please contact Eric Nordman, NAIC Regulatory Services Director, enordman@naic.org.

Amendments to Derivative Instruments Model Regulation (#282)—NAIC staff surveyed the states in November 2009 to gather information regarding their plans to adopt the model revisions. However, because this model was just adopted by the NAIC membership at the 2009 Summer National Meeting, 58% of the states had not yet had an opportunity to compare the model to the statutes and regulations in their state to make a determination as to what changes should be presented. Consequently, 79% of states were not sure how the model would be adopted at the time of the survey. For additional information and updates, please contact Dan Daveline, NAIC Financial Regulatory Services Department Assistant Director, ddavelin@naic.org.

Amendments to Risk-Based Capital (RBC) for Health Organizations Model Act (#315)—Since the adoption of the revised model at the 2009 Fall 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 November 2009 to gather information regarding their plans to adopt the model revisions. Based on the survey results, Alabama, Kansas, Mississippi and Ohio have already adopted changes to incorporate the changes to the model. In addition, 25 other states plan to adopt the revisions; five states plan to adopt the revisions with minor changes; two states do not plan to adopt the revisions; 13 states are undecided or have not yet completed their review; and two states have not yet provided a response to the survey. Of the 30 states that plan to adopt the revisions or adopt with minor changes, four states plan to complete the adoption in 2009; 15 in 2010; three in 2011; one in 2012; and seven 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 next national meeting. For additional information and updates, please contact Dan Daveline, NAIC Financial Regulatory Services Department Assistant Director, ddavelin@naic.org.

Life and Health Insurance Guaranty Association Model Act (#520)—Since the adoption of the revised model during the 2009 Spring National Meeting, five states (Delaware, Louisiana, Rhode Island, Texas and Vermont) 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, because the adoption of the model occurred in March 2009, most states have not yet 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 national 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 at the 2009 Spring National Meeting, most states have not yet 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.

Amendments to the Annual Financial Reporting Model Regulation (#205)—This model, also referred to as the Model Audit Rule, is not being tracked because it was adopted prior to the new model law process. It is being included here to provide an update on its current status. The revisions to model #205 were adopted June 11, 2006, 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, is included within the model and has been adopted as a requirement for accreditation. The following 36 states have finalized orders to adopt these revisions into their amended regulations: Alabama, Arizona, Arkansas, Colorado, Connecticut, Delaware, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Virginia, Washington, West Virginia, Wisconsin and Wyoming. North Dakota does not plan to have the amendments adopted until early 2010, but has requested that all impacted companies comply as of Jan. 1, 2010. Alaska has adopted the portions of the amendments that are effective Jan. 1, 2010, and plans to adopt the remaining amendments (effective for the year ended Dec. 31, 2010) at some time in 2010. All other states are currently involved in proposing revisions to their regulations/statutes and plan to have the amendments adopted prior to Jan. 1, 2010. For additional information and updates, please contact Bruce Jenson, NAIC Manager II - Financial Examination, bjenson@naic.org.