

NAIC To Treat 5 Drafts As Models

BY JIM CONNOLLY

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Members of the executive committee of the National Association of Insurance Commissioners granted full model status to 5 model proposals here Sunday during the NAIC's summer meeting.

The measures that were allowed to advance as models are:

- Amendments to the Viatical Settlements Model Act.
- The Military Sales Practices Model Regulation.
- The Medical Malpractice Closed Claim Reporting Model Law.
- Changes to the Long Term Care Insurance Model Act, which include new producer training requirements.
- The Uniform Health Carrier External Review Model Act.

The NAIC executive committee deferred action on the Standard Nonforfeiture Law for Life Insurance draft and the Standard Valuation model law draft.

The executive committee was scheduled to vote today on whether it would send each of the proposals with full model status to the plenary -- the body that includes all voting members of the NAIC -- later today.

At press time, the NAIC plenary had approved the Viatical Model amendments.

An update on the progress of the other full-model-status measures was not immediately available.

The NAIC executive committee reviewed the proposals for full model status because of a new NAIC policy supported by Walter Bell, the NAIC president and Alabama insurance commissioner.

Under the new rules, the executive committee decides whether work products should be treated as models or simply as collections of guidance.

Advocates of advancing a measure as a model must show that it involves matters requiring uniform, national adoption and that many commissioners have made a significant commitment to implementing the model in their jurisdictions.

John Oxendine, Georgia insurance commissioner, and Sandy Praeger, NAIC president-elect and Kansas insurance commissioner, expressed strong support for the military sales draft, and Kentucky Insurance Director Julie McPeak spoke up for the Viatical Settlements model.

Supporters of the Standard Nonforfeiture Law for Life Insurance draft and the Standard Valuation model law draft asked that a decision on those proposals be deferred, because those models will be just 2 components of the work of the NAIC's principles-based working group.

If the executive committee decides this week to advance the Standard Nonforfeiture Law project and the Standard Valuation projects as models, then the NAIC's new model

project procedural rules would give supporters only 1 more year to complete work on the models, according to Thomas Hampton, the D.C. insurance commissioner, who is chair of the principles-based working group.

The principles-based working group wants to take the time to synthesize the work of several different NAIC groups and then present that work product to the executive committee, Hampton says.