

Draft Pending Adoption

Draft: 8/9/21

Surplus Lines (C) Task Force
Virtual Meeting (*in lieu of meeting at the 2021 Summer National Meeting*)
August 5, 2021

The Surplus Lines (C) Task Force met Aug. 5, 2021. The following Task Force members participated: James J. Donelon, Chair, Stewart Guerin and Tom Travis (LA); Larry D. Deiter, Vice Chair (SD); Ricardo Lara represented by Kim Hudson (CA); Michael Conway represented by Rolf Kaumann (CO); David Altmaier represented by Virginia Christy (FL); Colin M. Hayashida represented by Martha Im (HI); Dean L. Cameron represented by Randy Pipal (ID); Dana Popish Severinghaus represented by Marcy Savage (IL); Vicki Schmidt represented by James Norman (KS); Troy Downing (MT); Russell Toal (NM); Mike Causey represented by Fred Fuller (NC); Glen Mulready represented by Eli Snowbarger (OK); Jessica K. Altman represented by David Buono (PA); Doug Slape represented by Jamie Walker (TX); Mike Kreidler represented by Jeff Baughman (WA); and Jeff Rude represented by Tana Howard (WY).

1. Adopted its 2020 Fall National Meeting Minutes

Mr. Baughman made a motion, seconded by Superintendent Toal, to adopt the Task Force's Nov. 18, 2020, minutes (*see NAIC Proceedings – Fall 2021, Surplus Lines (C) Task Force*). The motion passed unanimously.

2. Adopted its 2022 Proposed Charges

Commissioner Donelon stated that the 2022 proposed charges (Attachment One) for the Task Force and Surplus Lines (C) Working Group did not contain any changes compared to the 2021 charges.

Mr. Kaumann made a motion, seconded by Superintendent Toal, to adopt the Task Force's 2022 proposed charges. The motion passed unanimously.

3. Adopted the Report of the Surplus Lines (C) Working Group

Mr. Guerin reported that since 2020 the Fall National Meeting, the Surplus Lines (C) Working Group met June 21 and March 2 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings. He indicated that during these meetings, the Working Group discussed four applications seeking approval for listing on the NAIC *Quarterly Listing of Alien Insurers*, and all four of the applications were approved. Mr. Guerin stated that the Working Group also met July 7 (Attachment Two) to address two administrative tasks. He stated that the Working Group discussed amendments to the NAIC *Standard Form - Trust Agreement for Alien Excess or Surplus Lines Insurers* and proposed modifications to the NAIC *Quarterly Listing of Alien Insurers*. Mr. Guerin stated that the Working Group exposed these draft documents for a 30-day public comment period ending Aug. 6.

Mr. Kaumann made a motion, seconded by Mr. Baughman, to adopt the report of the Surplus Lines (C) Working Group. The motion passed unanimously.

4. Discussed the Formation of a Drafting Group to Amend Model #870

Commissioner Donelon summarized that last summer, he introduced the potential reopening of the *Nonadmitted Insurance Model Act* (#870) to bring it up to date regarding the implementation of the federal Dodd-Frank Nonadmitted and Reinsurance Reform Act of 2010. As a result, he directed NAIC staff to form a drafting group to study Model #870 and determine if it required modernization. He stated that as a result of that study, a Request for NAIC Model Law Development was drafted and presented to the Task Force and subsequently approved by the Task Force during the Nov. 18 meeting. He indicated that on April 14, 2021, the Request for NAIC Model Law Development was approved by the Executive (EX) Committee. Commissioner Donelon stated that work should begin on the draft amendments to the model. He indicated that Illinois, Louisiana, Texas, and Washington have volunteered to be drafting group members, and he asked for any additional volunteer states. Hearing none, he asked Andy Daleo (NAIC) to begin organizing meetings of the drafting group.

John Meetz (Wholesale & Specialty Insurance Association—WSIA) stated that he is pleased with the comments within the redlined draft of Model #870 (Attachment Three) and indicated that he submitted a comment letter for consideration (Attachment Four). Bob Woody (American Property Casualty Insurance Association—APCIA) asked if the drafting group

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meetings would be open to interested parties. Commissioner Donelon stated that the drafting group meetings would be held in open session.

Having no further business, the Surplus Lines (C) Task Force adjourned.

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