

**From:** [Jackson Williams](#)  
**To:** [Matthews, Jolie H.](#)  
**Subject:** Regulatory Framework Task Force - Tuesday, Oct. 11 Meeting - Consider Adoption of 2023 Charges  
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Ms. Matthews:

I would ask that during next week's call I be recognized to suggest the following addition to the 2023 Charges:

*Examine and document recent changes in the markets for supplemental health products (e.g., specified disease, AD&D) and short-term, limited-duration health products; identify areas of concern; consider proposals for reforms; and report findings of fact and recommendations for any appropriate interventions in these markets, including any that lie beyond the scope of Models 170 and 171.*

Rationale:

For over six years now the NAIC has been working through revisions to the Accident and Sickness models that govern supplemental health products and short-term, limited-duration health products. This process proceeded immediately to mark-ups of the old model law and regulation texts without any fact-finding related to the context in which these products are sold, or how the markets and products have changed since adoption of the previous models back in the 1990s.

These changes are significant. With regard to supplemental health products, loss ratios have significantly declined over the past decade. In some categories of products, loss ratios have declined by 20 percentage points or more, dropping below 50%. "Short-term, limited-duration" products, which used to look like major medical insurance but with shorter terms, are now primarily limited-benefit products that don't come close to covering the costs of an illness—and have been magnets for fraudsters.

I am concerned that, in its focus on wordsmithing dated, obsolete documents, the Model 170/171 Subgroup has avoided confronting the loss in value of these products to consumers or articulating a vision of a modernized regulatory structure that improves the functioning of these markets. I am asking that this Task Force specifically undertake scrutiny of these issues or assign these charges to the 170/171 Subgroup.

Can you please circulate this request to the appropriate regulators? Thank you.

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