

NALC Conference Call Agenda
May 12, 2010
3:00 eastern/2:00 central

Attendees: Nick Monaco, Ann Warren, Gerry Kraus, Governor Jim Hodges, Jessica Dewald, Fred Meese, Walt Dixon, Scott Quist, Ann Blackett, Tracy Kelly, Dawn Bergsma (sorry if anyone joined later and we did not get your name).

1. Set up of future conference calls
 - a. Schedule of companies taking what months – It was decided that before we end a call we would determine which company would sponsor the call the next month, with that companies approval. Be thinking about which month you would like to sponsor from August on.
 - i. June – Great Western
 - ii. July -- Forethought
 - b. Agendas
 - i. Committee chairs are to prepare the agenda for each conference call. This will bring continuity to the calls.
 - ii. Walt Dixon stated he would help if anything was needed.

2. Update on legislation
 - a. Alabama
 - i. SB 416 – Died in session but the companion bill (HB588) was passed and then vetoed by the Governor. Watch for legislation next year on this. Department of Insurance did not like these bills so may be some help there.
 - ii. SB 535 – Died in session
 - b. Arkansas
 - i. Reg 63 – Effective June 30, 2010.
 1. There are new disclosures so check your forms to make sure they have all the required disclosures.
 2. The Rules Review Committee has reviewed the regulation and has made no changes. It will stand as finalized.
 - c. Florida
 - i. B 825/844 – Died in session
 - d. Illinois
 - i. HB 6420 – Legislature adjourned May 7th without passing this bill, however they will be back in session in 2 weeks to take care of the budget and any items that are on the concurrence calendar (of which this bill is one).
 1. Language was re-drafted to make it for at-need situations, not preneed but we do need to make sure the at-need language stays in all the way up to passing.
 2. Removes Customer Service Employee designation.
 - e. Louisiana
 - i. HB 1116 – no movement at present time
 - f. Missouri – last day of legislature is Friday, May 14th
 - i. HB 2290 – no significant movement at this time
 - ii. SB 1025 – no significant movement at this time

3. Texas Agent Licensing – annuity training and continuing education – Effective February 21, 2010
-TDOI requires all agents to receive 4 hours of initial certification training

-Those agents on a limited license (preneed or under \$25,000) do not need the continuing education

4. Virginia Coalition

- a. Report from Ben Lacy was that the members from Chesapeake Trust did not show. The Board agrees with the interpretation that the paragraph cited by Chesapeake does not prohibit preneed selling. They have asked for language that clarifies this.
- b. Another issue brought up by the Board is the issue of excess funds being paid to DMAS for estate recovery. This could be an issue as the funeral directors do not want to be responsible and would rather have the insurance companies and trusts be responsible for payment. An email was sent to Ben Lacy from Homesteaders describing why this needs to be reigned in along with a proposal of how it may be handled.
- c. We need to continue to watch for legislation on any of these issues.
- d. Anyone wishing to join this coalition please contact Tracy Kelly or Gerry Kraus.

5. Missouri Coalition

- a. Issues that anyone has with the current legislation must be presented to the Funeral Board by May 21st. The Funeral Board is taking legislative changes to the legislature this summer.
- b. Attached is a list of the current issues that HLC sees (some are a holdover from the previous legislation).
- c. DHS in Missouri is also talking about excess proceeds and how they should be paid (similar to VA). They have issued a white paper (created in 2008) on how funeral homes should pay excess. This brings potential problems as the insurance company must pay as directed in the policy and state law, which is to pay any excess to the named beneficiary. A separate email from Homesteaders has been sent to Mark Warren regarding this issue.
- d. Anyone wishing to join this coalition please contact Tracy Kelly or Gerry Kraus.

6. Indiana Proposed Rules

- a. Received a draft proposal of some rule changes.
- b. Changes include requiring verification of death and verification of performance.
- c. Creates a consumer protection fund with the Board having control over payouts. Nothing stated in how they would collect funds for this protection fund. Allows individuals to make requests for reimbursement on insurance contracts (could cause issues as the Board does not regulate insurance, the DOI does).
- d. It was decided we would continue to watch to see if these rules become proposed or only remain a draft. No coalition will be set up at this time.

7. Maryland – Non-guaranteed contracts

- a. update on status of the AG's opinion
 - i. We were told to expect something in June. No clue was given as to what that would be.

8. MA Graded Death Benefit

- a. Letter to commissioner? – It was decided that we would hold off on sending the letter as now was not seen as the right time.
- b. The interstate compact is close to adopting their model. It has 3 year graded benefit. It is thought that once this is adopted, MA may go back to their draft bulletin to make it reflect the interstate compact decision.

9. Kentucky

- a. Inspector out telling funeral homes that it is funeral director only (Board's opinion).
- b. We received an AG's opinion (attached) that funeral director only has to sign preneed contract.
- c. It was decided we would wait to see how many more funeral homes (or insurance companies) may be affected by this inspector and then make a decision on what would take place.

10. Montana – ultimate limit

- a. Legislature back in session in 2011.
- b. May want to pursue a change to the statutes.
- c. Anyone who is interested is to contact Gerry Kraus.

11. Michigan form filings (attachment)

- a. Commissioners Order withdraws deeming of forms.
- b. File all right now or wait until requested.
 - i. Most companies understand it to mean that you only file anything that is new after August 1, 2010.

12. California Master Trust

- a. Nothing further has been heard on this.

13. Other items

- a. Pennsylvania – The Board withdrew the rules on non-licensed individuals (the PFDA did not think the last proposed rules were strong enough).
- b. Florida – Non-guaranteed contracts
 - i. Wendy Wiener has been working with the Board. They are reading the statutes that if it is not specifically stated that non-guaranteed is allowed, then it is not allowed. We read it as if it is not specifically stated that it is not allowed, it is allowed.
 - ii. A letter has been sent to the Board.
 - iii. We should hear something soon.