

**Governors Insurance Council**  
**Minutes of Meeting, May 24, 2016**

The meeting was called to order by Chairperson Cristie Hanaway at 8:30 a.m. at the office of Beacon Mutual Insurance Company, 1 Beacon Center, Warwick, RI.

**I. Introductions, Attendance**

Attendance was taken and each member or guest introduced himself or herself. Members in attendance were Matt Carey, Genevieve Martin, Larry Alan, Donald F. Baldini, Doug Brown, Daniel Bryant, Ann Casillo, Lynn Elderkin, Matt Gendron, Cristie Hanaway, Michael Lynch, Terry Martiesian, Brian Spero, Bob Suglia, John Tickner, and Stephen Zubiago.

Interested parties in attendance were Henry Boeniger, Frank Doyle, Susan Giacalone, Brian Goldman, Tim Knapp, Jennifer Morrison, Sean O'Connor, Patricia Oceau, Cate Paolino, David Pellegrino, Jacqueline Plante, Ernest Shagalian, Elizabeth Suever, Jeff Taylor and Amy Vitale.

**II. Antitrust Admonition**

Chairperson Hanaway provided the antitrust admonition.

**III. Approval of minutes:**

- Motion: To approve the minutes of the meeting of April 26, 2016
- Vote: Motion carried
- It was noted the June meeting will host speaker's Grover Fugate, Exec. Director of the RI Coastal Resources Management Council (CRMC) and Fred Malik, Director, FORTIFIED Programs at the Institute for Business & Home Safety.

**IV. Reports from Ex-Officio Members and Discussion**

a) Governor's Office – No report.

b) Attorney General – Gen Martin reports that the overall average rate increase of 9% was requested for individual health plans this year. Post hearing briefs will be released. This is one of the largest increases they've seen. There is a bill pending that will kill the rate hearing process. Ms. Martin noted consumers find themselves in a difficult position with increases in their health care premiums and not understanding changes to their benefits and to their plans.

c) Department of Business Regulation Update: Matt Gendron provided an update:

- Staffing updates are ongoing with interviews taking place from the 130 – 140 applicants, mostly college graduates, who have applied for various positions posted. The Department hopes to have a Life and Health analyst on board in a few weeks on June 13<sup>th</sup>. The Department also hopes to decrease the long term care filings backlog in the coming months.
- The Corporate Governance bills (H7842 SUB A and S2785 SUB A) continue to work their way through the Legislature.
- The Premium Tax Proposal – H8058 & S3012 establish a procedure for a reduction in premium tax rate if there is an increase in insurance industry employment in the state. H8058 will be heard 5/25/2016 with the Senate bill not yet posted for hearing.
- Bulletin 2016 -1 Auto Body Labor Rate Survey was issued on May 2, 2016 by the Department, and Bulletin 2016-2 regarding annual privacy notices was issued on May 5, 2016.
- No new consumer alerts have been issued.
- NCCI rate filing has been approved with a 7.5% rate decrease, to be effective August 1, 2016.
- Ride Share / Car Share – Both H8044 & S2864 have been held for further study. The Department will not approve Period 1 endorsements/exclusions without passage of legislation in this area.
- A recent TV news story on unclaimed life insurance proceeds was aired with Treasurer Magaziner. The State of Rhode Island is working to find the rightful owners of these policies of unclaimed property. DBR remains concerned about asymmetrical use of the SSA death master file for annuity and life benefits.
- In the case of PCI vs. DBR, DBR gave deposition testimony and DBR has issued discovery requests to PCI.
- Grover Fugate, Executive Director of CRMC has been invited to the June 28th GIC meeting.

d) Department of Labor and Training Update: Matt Carey has advised a revised medical fee schedule will be posted July 1, 2016.

e) Commerce Department: No report.

## V. Legislative Updates:

a) P&C: Bob Suglia reports with the Legislature's recent resignation of House Finance Chairman Ray Gallison, a replacement has been named, Rep. Marvin L. Abney.

Senate President Paiva-Weed and House Speaker Mattiello have introduced a joint resolution to approve and publish a proposition to the constitution -- Ethics Commission

Bob noted that the appointment of 8 new judges by the Governor closely followed the Council's letter to the Governor urging appointments for judicial vacancies. Bob also acknowledged and congratulated Council member Brian Goldman on his appointment to the District Court.

Other matters of interest are the General Assembly is expected to adjourn on June 9<sup>th</sup>, with the State Budget expected to be approved by the House Finance Committee on Tuesday, May 31<sup>st</sup>.

The Corporate Governance bill is moving toward passage, and the Premium Tax Reduction bill is up for hearing in House Finance on Wednesday. The Auto Dealers GAP protection bill (H7712A) has passed the House. As far as other bills we've been following there has not been much action taking place on these other items.

Chairperson Hanaway asked about the timing of legislation and the request to send veto letters if necessary. Bob explained the timeline for transmitting bill to the Governor, and suggested that the next GIC meeting date of June should be sufficient to advise the Governor on pending bills.

With regard to drones, Rep. Ucci will amend his bill if federal law will control.

b) Workers Compensation: Michael Lynch reported on the new additions to the Workers Compensation Court. That being said there appears to be more retirements on the horizon.

A review of the following items to report:

1. Medical Advisory Board has a meeting scheduled for June 7 and will be working on a new fee schedule.
2. The omnibus Workers Compensation bill (S2945A) is moving through the Senate. H8203 is being heard in the House Committee on May 26. He expressed concern regarding the provisions for funding of the uninsured employer fund.

c) Health: Elizabeth Suever and Terry Martiesian reported on health insurance issues. Opioid abuse legislation was discussed, and concern was noted over the cost of abuse deterrent drugs. H7163A and S2461A each require substitution of abuse resistant drugs. Budget Article 9 Section 10 provides for a substantial increase in funding for the Children's Health Account, which is paid for by insurers (individuals and small employers via premiums) and self insureds. S2755 and H7816A are bills to add biological substitutions. H7160A is pending regarding telemedicine and parity of payment is the main issue. Some discussion was had regarding the time for the credentialing of providers by insurers.

d) Life: Dan Bryant reported that the Department's premium tax bills (H8058/S3012) are expected to be heard in their respective committees soon, H7125 relating to third-party notices for individual life insurance policies and notices for group life conversions passed the House on March 17 (companion bill, S2011, is still in the Senate Commerce Committee) there has been no recent action on S2187 (group annuities), H7219 (State-sponsored IRA accounts for private sector workers), or on S2600/H7707 (companion bills relating to cybersecurity and breach notices).

There being no further business, the meeting was adjourned at 9:32 a.m.

**VI.** The next meeting will be held on Tuesday, June 28, 2016 at the IIARI Office in Warwick.

Respectfully submitted,

Robert P. Suglia  
Secretary