

January 20, 2014

Commissioner Adam Hamm  
President and Executive Committee Chair  
National Association of Insurance Commissioners  
c/o Kay Noonan  
General Counsel  
Via Email to: [knoonan@naic.org](mailto:knoonan@naic.org)

**Re: Proposed Changes NAIC Policy Statement on Open Meetings**

Dear Commissioner Hamm:

We are pleased to offer comment on the proposed changes to the NAIC's Policy Statement on Open Meetings ("Policy Statement") exposed during the Fall National Meeting. As you know from past discussions and particularly from our December 2, 2013 letter on the matter, NAMIC strongly believes the NAIC must have a robust and effective open meetings policy in order to promote transparency to engender confidence in the NAIC among regulated entities and policymakers.

In our view the proposed changes represent a significant improvement to the Policy Statement. Accordingly, we commend the NAIC for taking up this matter in earnest and express appreciation to the regulators who worked on the revision. However, we believe the Policy Statement could be improved further as detailed below.

The elimination from the opening paragraph of the blanket grant of discretion to chairpersons of committees, subcommittees, task forces and working groups to close a meeting or hold a closed meeting represents a significant improvement to the Policy Statement. Retaining the sentence "The NAIC is committed to conducting its business openly" without a discretionary qualifier sets a proper overall tone for the Policy Statement. The addition of the requirements for public notice of all "applicable meetings" and for providing the reason for holding a regulator-only session are meaningful positive changes that should promote transparency.

However, the use of the term "applicable meetings" raises a point of continuing concern: that the Policy Statement explicitly states that it does not apply to "Roundtable discussions, zone meetings, commissioners' conferences and other like meetings of the members." As we asserted in our December 2 letter, a reformed Policy Statement should not exclude entire categories of meetings without justification. The open-ended list of excluded meetings contains sessions in which NAIC policy is discussed and developed. In our view there is no

reason why the Policy Statement should not apply to them. We recommend that this exception be eliminated from the Policy Statement. At the very least, the NAIC should provide an explanation to justify the exception.

We also continue to have strong concern regarding exception number 6, “Consultations with NAIC staff members ...”, which has been modified in the proposed changes to add the phrase “Related to NAIC technical guidance, including but not limited to, Annual and Quarterly Statement Blanks and Instruction, the Accounting Practices and Procedures Manual, and similar materials;” While the change may seem to be an improvement for not applying to any situation involving consultation with NAIC staff (which, as we have noted, could include any and all NAIC activities), in fact we believe that the additional language refers to instances in which open sessions should certainly be required. We believe that discussions involving technical guidance, generally and specifically regarding the items listed, would benefit from industry involvement. As we stated in our December 2 letter, certain NAIC actions affect the substance of state law directly, and the bulk of those substantive changes are found in the Annual Statement and the various manuals. These are materials that should have the highest standard of transparency, not an explicit exemption. We recommend that exception number 6 be eliminate in its entirety.

Finally, we reassert our belief that, in order to be as effective as it needs to be, the Policy Statement should lay out some kind of mechanism for dealing with potential failures to adhere to its provisions. The Policy Statement as revised provides narrower discretion to hold closed meetings but we believe it is still advisable to develop a means of redress for potential excessive exercise of the discretion it provides.

In closing, we note with appreciation that the proposed changes reflect an earnest effort on the part of the NAIC to make the Policy Statement on Open Meetings more effective to promote much-needed transparency. We believe the revised document represents a meaningful step in the right direction and urge regulators to consider making further revisions as described. Doing so, we believe, will engender a level of confidence among regulated entities and policymakers that befits the NAIC’s role in the regulation of insurance.

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