



ADVISORY COMMITTEE AND STAFF SURVEY
Nevada Department of Insurance

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Summary of Survey Findings

Background. Turning Point, Inc. conducted a survey with the Nevada Division of Insurance (DOI) Life and Health and Property and Casualty Advisory Committees (AC) and the DOI staff associated with each during May-June 2017. The intent of the survey was to learn what each group perceived as:

- 1) the three biggest issues confronting the insurance industry in the next year;
- 2) the key topics to be addressed by DOI staff (Advisory Committee members only);
- 3) what would be important for them to learn and accomplish together;
- 4) subject matter experts and topics that would be of interest for future meetings; and
- 5) conditions to be met for effective and efficient advisory meetings.

A total of twenty-three individuals (six staff and 17 advisory committee members) completed the survey.

Eleven individuals (4 and 7, respectively) represented Life and Health and 12 individuals (2 and 10, respectively) represented Property and Casualty. ***For the most part, the staff and AC members are an experienced group.***

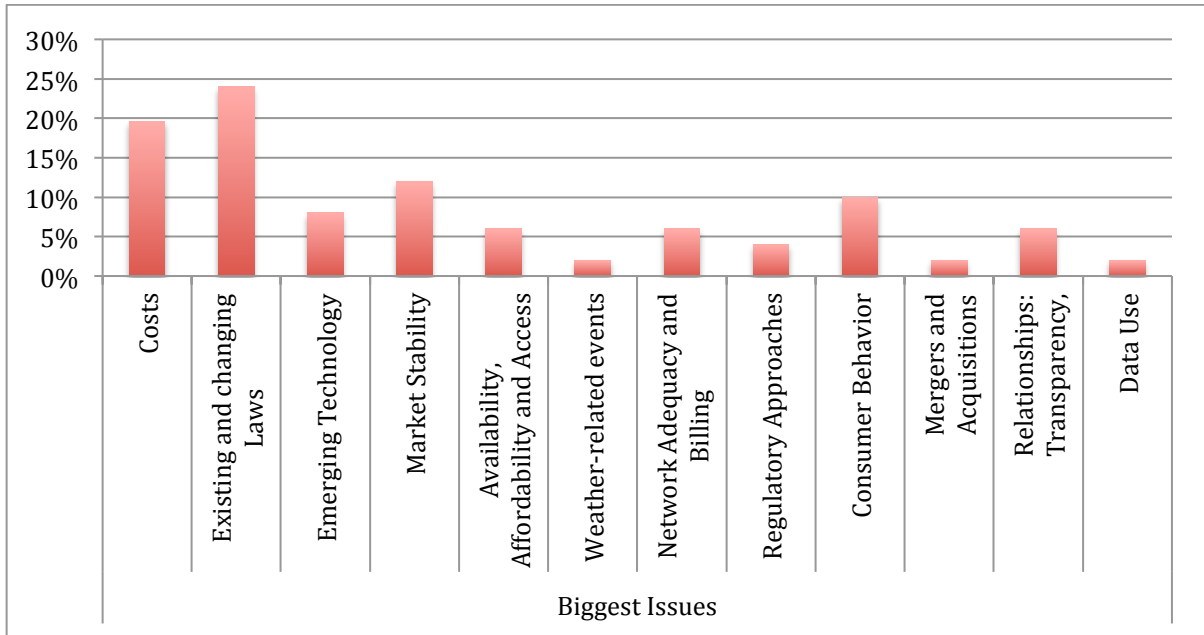
The number of years in their current role ranged from less than one year (8%) to more than six years (54%). All Life and Health DOI staff had been in their roles for more than a year. Both Property and Casualty DOI staff who responded had been in their roles for over six years. About 43% of Life and Health AC members had been in their roles three or fewer years and 57% had been in their roles for over six years. One-half of the Property and Casualty AC members had been in their roles for over six years, while the remainder were fairly evenly dispersed across the other categories: 10% were in their roles less than one year; 20% were in their roles 2-3 years; 20% for 4-5 years.

Biggest Issues Confronting the Insurance Industry.

The total group identified a total of 51 issue ideas, which when analyzed fell thematically into eleven categories. The chart below provides a breakdown of the frequency with which these issues were identified, with notable differences between the two committees (ACs and DOI staff combined) being revealed. ***The most frequently identified issues confronting the insurance industry were costs and laws (10% and 24%, respectively).***

For the Life and Health committee this was referenced as the ACA, its uncertainty, and Medicaid under the proposed ACHA. Costs were represented by drug and medical costs. Market instability and network adequacy, including availability/access of providers were also key issues. For the Property and Casualty, cost drivers and struggles for profitability were identified, whereas this group was more focused on regulatory approaches (underwriting, over-regulation, restriction or expansion), technology (autonomous vehicles, for example) relationship between the DOI Staff and consumers and consumer behavior (i.e., distracted and drugged driving).

Chart 1: Biggest Issues facing the industry.



Key Topics to be Addressed.

Each of the advisory committees’ members were asked on what topics they’d like the DOI staff to present to them. The top three for each committee were categorized as per the chart below.

Chart 2: Key Topics Committee Members would like to see addressed

Committee	Topic One	Topic Two	Topic Three
Life and Health	Cost of care, drugs and health insurance	Understanding and educating key members about Legislative and Federal Impacts	Market Stability, competition, and Administrative simplification
Property and Casualty	Legislation and Regulatory Plans:	Technology	Long Range Planning for DOI funding and support

Property and Casualty committee members indicated they would like to see a focus on easing and decreasing delays in rate approvals, as well as smarter and more balanced regulations.

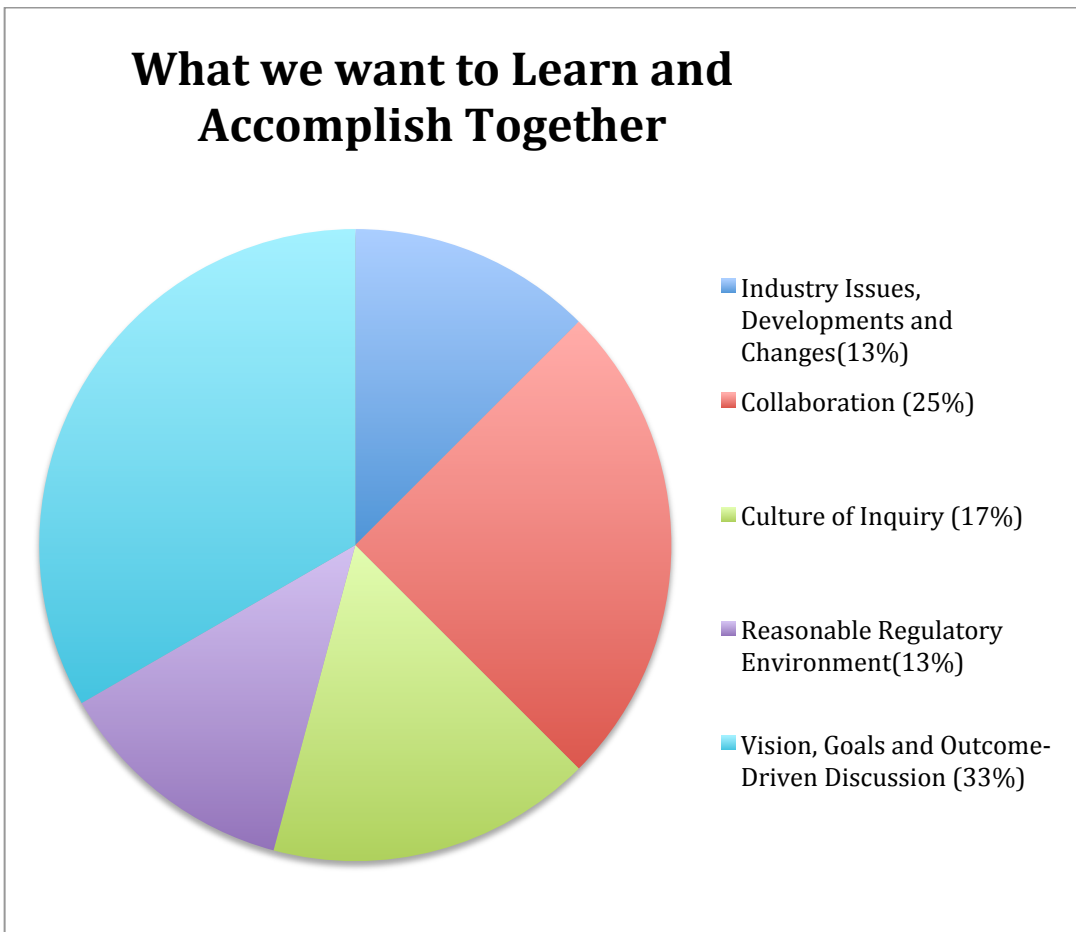
Along those lines, the Life and Health committee members wanted to look more specifically at impacts of various legislation, including Medicaid, Retirement Tax, and the ACHA.

Important to Learn and Accomplish Together:

The two sets of committee members primarily expressed an interest in working together toward a shared vision that included a healthy, competitive market that would benefit both consumers and industry and was important to Nevada’s fast, growing economy. The chart below captures the

range of topics and ways that the two committees envision learning and working together. For many it was important to maintain a culture of inquiry in which questions could be asked in a safe environment, with an open dialogue where individuals could find a middle ground and good foundation or making recommendations.

Chart 3: What we want to Learn and Accomplish Together



Subject Matter Experts.

Both staff and committee members nominated the following subject matter experts that could contribute toward

their understanding and learning together around the topics of interest. Some additional topics identified beyond those already noted above included: big data, cyber risk, insurance

for autonomous vehicles, insurance for flying cars, telematics, “smart home” technologies for reducing the risk of loss, new predictive modeling techniques and data sources used by property/casualty insurers. Two individuals and groups were specifically identified, however, the majority of those who responded (10 of 23) indicated that they either did not have anyone to nominate or felt they would need to think about it more. John Packham, UNR and other State Insurance Commissioners were identified as potential presenters for future meetings.

Conducting Effective and Efficient Advisory Meetings.

The Advisory Committee members and DOI staff were asked about specific details for future meetings including: frequency of meetings; duration of meetings; sub-committees; membership; and communication between and among DOI staff and Advisory Committee members.

Frequency. The majority of respondents indicated that meetings should take place four times per year (65%). Less than 5% felt the meetings should be more frequently and another 30% indicated that they’d prefer to meet less frequently, with the option of 2-3 meetings noted most frequently.

Duration. The majority (54%) indicated the meeting should run no more than two hours. Only one-fifth of respondents (21%) indicated 3 hours and one-fourth remained open to meetings of variable length (2 to 4

hours) depending on the agenda and whether outside speakers were presenting.

Sub-committees. The majority of respondents (54%) indicated that sub-committees should be identified and operating. Less than 20% were uncertain and indicated “maybe” whereas one-quarter indicated that if put in place they should not be self-serving for any particular sector, should only be used when there are specific goals to be addressed or on an as needed basis vs. as standing subcommittees. They could be helpful in addressing issues in more depth than is possible in the main meetings. It was suggested that the subcommittees be comprised of both DOI staff and Advisory committee members and that they report back to the main committee.

Membership. Over half (54%) of the respondents indicated that the Advisory Committees should be comprised of 11-15 members. No one felt that there should be more than 20 members. All remaining categories for membership ranged from 8-12.5% of respondents. Comments included the recommendation that the focus should be on representation and not on numbers, although the greater the membership the harder it is to schedule meetings or get a quorum. The recommended terms for service varied from three (21%) to four (17%) years for the greatest number of respondents, with a full one-fourth indicating there should be no term limits. Comments and suggestions reinforced that term limits would not be helpful, but if

imposed should be staggered, and that appointments could be reviewed. One respondent indicated that some critical market participants should always be there while other positions could be filled on a rotating basis. If term limits were applied, those who selected other indicated a minimum of two years or more, and some said at least three years. Specific stakeholders or colleagues were recommended for membership: Regan Comis and Keith Lee of NV Association of Health Plans, and Cliff King. One respondent indicated s/he would be happy to provide a list and another simply noted Health Plan/Insurers as a category for representation.

Communication. For the most part the suggestions made focused on communication in preparation for meetings. Some indicated a desire to be more engaged and involved in the process of agenda setting, topic selection, and idea exploration.

Specific comments are noted below:

- Sharing prepared materials prior to the meeting. Some members represent trade associations and others need to go back to their companies for feedback. This cannot occur if materials are first shared at the meeting.
- Is there an issue or concern with emails, website, and phone calls?
- The Committee should shift to a forum where industry representatives inform the Division about emerging developments in property / casualty insurance markets, rather than the Division primarily seeking to “vet” ideas for action with Committee

members. The current format of the Division providing information to Committee members in advance of a decision (or even in the aftermath of a decision) could be misconstrued as the Division asking permission of its regulated entities to engage in actions that are already within the scope of the Division’s authority. I recommend shifting the forum to one in which industry representatives and other experts present to the Division and then make themselves available to answer questions – with the discussion possibly informing the Division’s understanding and subsequent actions, but in an advisory, non-binding capacity.

- Not sure
- Either raise an idea while it is still in the idea phase or send out information well in advance of the meeting. The last topics have felt like they were sprung on the group with little to no warning when there was no room for discussion.
- Email is good..
- Doing well now, but written updates on topics of interest between meetings could be helpful.
- Plan out meetings with a little more advance notice.
- Email and driving committee members to DOI website for background material works
- Let the members assist in the agenda.
- Email works
- How about meeting minutes?
- Always send re-reads for issues to be discussed as opposed to just an agenda, limit presentations to 15 minutes or less.