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Home-Sharing Rentals: Insurance Considerations

by Angela Gleason, JD

Today's technology has fostered the growth of the "sharing economy." This is a term used to describe a trend that involves a move beyond traditional methods of renting, borrowing, sharing, hiring, and otherwise procuring goods and services to one that allows individual consumers to transform into commercial operators. According to one commentator, "Sharing economies allow individuals and groups to make money from underused assets. In this way, physical assets are shared as services."[1]

The National Association of Insurance Commissioner's (NAIC) first explored the implications of this new trend in the transportation industry. That exploration culminated in a white paper titled *"Transportation Network Company Insurance Principles for Legislatures and Regulators,"* which outlined insurance considerations and potential coverage gaps for lawmakers to consider when developing consumer protection laws.

In addition to transportation sharing, the NAIC's Sharing Economy (C) Working Group is studying regulatory issues related to home sharing. Earlier this year, the NAIC published a consumer alert to provide tips on how to navigate home-sharing rentals. Many state insurance departments have taken this alert and posted it, in some form, on their websites. Also, the Florida Insurance Commissioner turned the alert into an article for publication in local print media.

The alert reminds consumers that standard homeowners insurance policies are not intended to cover accidents or damage arising from commercial activity. Specifically, the NAIC notes that "homeowners policies vary, but usually exclude or provide very limited coverage for homeowners who are running a business in their home." When considering home-sharing rentals, consumers should consult their insurance provider or agent.

> In any new market, it is important to understand how your activity will impact your current obligations and protections.

The fundamental question for any person contemplating offering the use of their personal home in exchange for monetary benefit should be whether such activity

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[1] Price Waterhouse Cooper, The Sharing Economy – Consumer Intelligence Series. Web. 2015. <http://www.pwc.com/en_US/us/technology/publications/assets/pwc-consumer-intelligence-series-the-sharing-economy.pdf>

WHAT'S INSIDE

MARK YOUR CALENDAR

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2016 Career Development Seminar and Regulatory Skills Workshop | Scottsdale, AZ

Visit the calendar at www.go-ires.org for upcoming event details.

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is permissible. Some additional questions include: what is the duration of the rental; are there laws or ordinances that prohibit individual property rentals; what happens if my property or a neighbor's property is damaged; and what happens if someone is injured on the property?

In any new market, it is important to understand how your activity will impact your current obligations and protections. The sharing economy is no different and it cannot be stressed enough that education is paramount for any individual considering entering into home-sharing arrangements. Before entering the online marketplace, consumers should make sure they understand the implications their activity has on their current insurance policy and how they can fill any potential gaps with additional policies or endorsements/amendments to existing policies. For example, if an individual is renting their place to one consumer for an extended period of time, then landlord and tenant policies may be the proper policies. It is also important to note that coverage will vary by insurer.

Further, when it comes to damage and theft, the consumer must recognize that he/she is engaging in commercial activity and, as such, may likely not be able to rely on their homeowners coverage for relief.

Also, if guests steal any property during their stay, there may likely be an exclusion in the homeowners policy for theft in a part of the residence that is being rented to a paying guest.

…home-sharing is the next sharing economy issue for consideration.

The liability portion of your homeowners policy also may likely not extend to the home-sharing agreement. Therefore, if your guests injure a visitor to the property or cause damage to a neighbor's property, the property owner's homeowners policy will likely not provide coverage.

Guests also need to consider potential risks. For example, how would they pay for damage that they may cause and what happens if their personal belongings are lost or stolen?

As examined above, coverage options may vary by insurer and there are potential coverage gaps if people do not act to protect themselves. Hence, it is important for consumers to talk with their insurance provider or agent to understand their coverage options. It is also important to look at the guarantees and insurance options that the online site, such as Airbnb or HomeAway, may offer.

As focus shifts from sharing in the transportation industry to home sharing, we may also see an increase in legislative efforts in this area. For instance, this year, the Florida legislature considered SB1298[2], which contained provisions relating to home sharing. The legislation required "short-term rental network companies" to maintain insurance as excess coverage requiring coverage for lessors in the event of direct physical loss to the property and its contents as well as liability coverage. A short term rental was considered a period of less than 30 days or one calendar month, whichever was less. The bill also declared that that the lessor's personal insurance policy could not be required to provide primary or excess coverage or to defend or indemnify for any liabilities that may arise during the rental period, unless the policy provides for such coverage or contains an amendment or endorsement to provide the coverage.

The introduction of the Florida bill and the work of the NAIC in this area make it clear that home-sharing is the next sharing economy issue for consideration. ■

Angela Gleason is Associate Counsel at the American Insurance Association. She provides legal support on property issues as well as cybersecurity, privacy and technology issues. Angela holds a J.D. from Case Western Reserve University School of Law and a B.A. from John Caroll University. She is a member of the Virginia and D.C. Bars.

[2] http://www.flsenate.gov/Session/Bill/2015/1298/BillText/e2/PDF

Educational Corner

News from LOMA

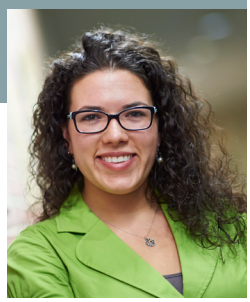
LOMA is retiring the Fellow, Financial Services Institute™ (FFSI™) and Associate, Annuity Products and Administration™ (AAPA™) designation programs at the end of this year. If you are working towards either of these designations, it's important that you take any remaining exams before December 31, 2015. While the designations will no longer be awarded after December 31, 2015, both will continue to be recognized by LOMA.

In addition, The Associate, Customer Service/ACS Annuities Track will be offered only through the end of this year. Students who are in that pipeline should complete the course work and exam no later than December 31, 2015.

For additional information about these or any other LOMA designations or courses, log on to www.loma.org. ■

Insure the Future So It Doesn't Drive Away Without You

by Kelsey Brunette



The year is 2002. Half of the people you know are using Nokia handsets or flip phones they got for free when they signed their cell provider contract. If you asked one of them how much they were willing to spend on a cell phone, what would they say? Fifty dollars?

People at the time did not realize how much they were about to rely on the connectivity and functionality of their cell phones. Email was becoming the universal method of conducting business, and BlackBerry had mastered the push technology that could keep you connected all the time. The price tag for a standard BlackBerry? Three hundred dollars. Even with the steep price tag, people needed their CrackBerry because it had become an essential part of their way of life.

If you had asked someone in 2006 if they would pay $600 for a phone, they would have told you no. If you had asked them if they would ever have given up their BlackBerry for a touch screen phone, they would have told you no. How many of them have a BlackBerry today?

The Automated Car Has Arrived

For some, automated car technology will take decades to become ubiquitous in their daily lives. Others will lead the way into a new era of mobility—an era that will boast fewer automobile casualties and empower the handicapped. While the technology has made staggering developments in the past ten years, the integration of that technology into our current driving model will take considerable time.

A June 2015 survey released by KPMG predicts that the next ten years will see the introduction and ubiquity of autonomous technology.

By operating in the highly regulated areas of automobile manufacturing, transportation and insurance, automated vehicles will require various legislators and regulators to give permission or, at the very least, cooperate in navigating a brave new world.

Many people will lose interest in this discussion because they see automated technology as having little immediate effect on an industry that has remained largely unchanged in the past century. A June 2015 survey released by KPMG predicts that the next ten years will see the introduction and ubiquity of autonomous technology. With the likelihood of retrofitting being an option for autonomous technology, the natural turnover of vehicles will not inhibit the delivery of the technology to the average consumer.

For those who think the technology is decades away, check to see whether you have underwritten the new Tesla Model S. On March 19, 2015, Elon Musk, the CEO of Tesla, announced that the company had begun (in September 2014) to incorporate the necessary hardware into the Tesla Model S to activate hands-off, feet-off driving with an over-the-air software update. That means that a Tesla Model S that rolled off the assembly line on September 1 did not have the capability, but the Model S that was produced on October 1 does. The "autopilot" software update is scheduled to be released to the first consumers in July 2015. Elon Musk, who has been personally testing the feature every week, states that the "expectation is that someone is paying attention to the road and is ready to take over if there's an issue."

Expectation and actual human behavior can differ dramatically. While the capability for this type of hands-off assisted driving has been available on previous vehicles, possible regulatory implications have led manufacturers to have safeguards such as requiring a hand on the steering wheel or technology that detects whether the driver's eyes are open. Even with those safeguards, consumers developed tricks such as taping a soda can to the steering wheel that disabled the safeguard.

Tesla is pushing the regulatory boundaries of what is currently legal on public roadways, which may bring the discussion of liability to the front of public debate sooner than expected. It is possible that the risk of an accident is the same with autopilot as without; however, the technology is unproven in the hands of the consumer. Actuarial justification for an untested technology has less meaning when the historical data is not indicative of future results. ISO Symbols do not necessarily reflect the probability of damage for an accident when a manufacturer modifies the capabilities of the vehicle so dramatically without a model year change. While these are just a few of the implications that autonomous vehicles have for insurers, it is important to understand the basics of autonomous vehicles in order to understand the automated technologies that are being released today.

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Insure the Future – continued from **page 3**

Autonomous Vehicles 101

Many of the automated technologies you have experienced in your vehicles can be described as enhanced safety features, where the vehicle only controls an aspect of the vehicle when the driver fails to do so. One of these features mandated by the National Highway Traffic Safety Administration (NHTSA), Electronic Stability Control (ESC), helps a driver maintain control of a vehicle that loses directional control or stability. The technology is credited with saving more than two thousand lives between 2008 and 2010 alone. Another set of technology, Automatic Emergency Braking, combines ESC with the information from sensors to detect when a collision is imminent. This technology seeks to avoid the collision or mitigate the damage. Transportation Secretary Anthony Foxx announced that Crash Imminent Braking (CIB) and Dynamic Brake Support (DBS) would be added to the Recommended Advanced Technology Features, a list that already contains forward collision warning, lane departure warning, and rearview video systems. Although these technologies, combined with other improvements in safety, have resulted in fewer accidents, they are just the tip of the autonomous iceberg.

Although NHTSA has stated that it has no current intention to develop standards for certain aspects of autonomous vehicle operation, the agency released recommendations for state legislators regarding the testing of autonomous vehicles. Among the recommendations were suggestions for the licensing of automated vehicle drivers, monitoring procedures, and designations of the varying "Levels of Vehicle Automation."

NHTSA has defined Level 0 as "No-Automation," Level 1 as "Function-Specific Automation," and Level 2 as "Combined Function Automation." Level 2 automation would include the automation of at least "two primary control functions" working together to relieve the driver of controlling the functions. At this level, the driver can relinquish active primary control in certain situations, but must remain attentive and available to regain control. The example given is "adaptive cruise control in combination with lane centering," technology that is already available together in certain luxury vehicles. The luxury vehicles available today, however, have certain safeguards to make sure that the driver keeps hands on the steering wheel and does not fall asleep while driving.

NHTSA Levels 0 through 2 define the technologies that are already available in the market, while Levels 3 and 4 define the types of technology that will be available in the future. Level 3, defined as "Limited Self-Driving Automation," is characterized by the ability of the driver to cede full control under certain traffic conditions in which the driver must "rely heavily on the vehicle to monitor for changes in those conditions requiring transition back to driver control." While it is unclear how much reliance is heavy reliance, the technology in the 2015 Tesla Model S currently enables the driver to remove hands from the steering wheel while driving on the freeway and remaining attentive. This new "autopilot" feature would fall somewhere between Level 2 and Level 3 automation.

> Similar to how smartphones and phone apps have fundamentally changed the way we use our cell phones, autonomous technology is going to fundamentally change the way we use our vehicles.

Level 4 automation is the self-driving vehicle of the future, defined as "Full Self-Driving Automation," which can perform all driving functions for an entire trip. Especially notable is that a driver "is not expected to be available for control at any time during the trip." This definition more closely aligns with Google's ambitions to release a vehicle that would never require driver control. At the point in which a fully autonomous vehicles becomes viable for consumer use, NHTSA is likely to produce specific guidelines and regulation. Until that point, NHTSA has left regulation and guidance in the hands of state regulators.

Although Level 4 automation is not in the near future, Tesla is not the only automaker who will be releasing Level 2-3 vehicles in the next few years. Nissan will release a vehicle with autonomous drive in 2016, along with the 2016 Cadillac with "super cruise" and the Audi A8. Similar to how smartphones and phone apps have fundamentally changed the way we use our cell phones, autonomous technology is going to fundamentally change the way we use our vehicles.

Basing your view of the future on how consumers say they are going to adopt new technology could leave you in the same place as RIM, the manufacturer of BlackBerry phones. In 2008, RIM was valued at $83.4 billion; in 2013, it was valued at $3.4 billion. In today's world of rapidly changing technology, make sure you don't get left behind.

A copy of this article including sources can be found on the author's blog, www.insurefuturenow.com. ■

Kelsey Brunette works in the Office of the General Counsel for the Michigan Department of Insurance and Financial Services. Currently a third year law student at the Michigan State University College of Law, Kelsey graduated with a BBA from the Ross School of Business at the University of Michigan.

Price Optimization Faces Increased Scrutiny

by Stephanie Duchene, MCM and Catharine Luo

Heeding the call of consumer advocates, some state regulators are taking action to prohibit certain "price optimization" practices that result in insureds with the same risk profile being charged different rates based on factors unrelated to the insurer's risk of loss, such as whether or not the consumer is likely to shop around for a different price or object to premium increases.

In a general sense, the practice of price optimization is hardly new. Although there is no single definition of price optimization, broadly speaking it refers to the use of data analytics to measure and respond to consumer sensitivity to price increases. In the competitive business of insurance, insurers have long needed to address the need for higher premiums without losing policyholders in the process. For example, insurers frequently consider how many competitors are in a given market and competitor's rates when setting their own rates.

In recent years, however, the availability of big data—data-mining of personal consumer information for use in advanced statistical modeling—has allowed insurers to address risk and market considerations at a granular level and set rates for many different risk classifications. The use of big data to target consumers' sensitivity to price changes or other factors unrelated to risk have led to accusations that insurers are unfairly profit-gauging loyal customers.

While many critics of price optimization allege that the practice disproportionately impacts low-income consumers, the results of studies have been mixed. Consumer groups and the California Department of Insurance have pointed to a 2006 Brookings Institute study that notes that low-income customers are less likely to have internet access and, therefore, are less likely to comparison shop.[1] However, in recent comments to the latest draft of an NAIC white paper on the topic of price optimization, the Casualty Actuarial Society has made the point that the Brookings Institute study does not reflect the many changes in purchasing behavior over the last decade. As a counterpoint, the Casualty Actuarial Society points to an Insurance Information Institute (III) poll of U.S. consumers from May 2014, which found that 68% of people with annual income under $35,000 compared prices when buying auto insurance—a higher percentage than any other income group.[2] Sixty-one percent of respondents with income above $100,000 said they shopped around.[3] The III study has its detractors as well: the Consumer Federation of America & Center for Economic Justice has criticized the study for lacking independent verification.[4]

Insurance pricing is complicated and there are many legitimate risk-based reasons for different rates. Accordingly, some in the industry argue that price optimization based solely on elasticity of demand (responsiveness of the quantity demanded to a change in price) is not as widespread as claimed. Others believe that certain components of price optimization are appropriate because they are related to legitimate financial objections, like making a profit.

> To date, eight states have issued formal statements prohibiting certain price optimization practices in rate-making by property and casualty insurers authorized to do business in those states.

There is concern within the industry that the lack of clarity on what price optimization practices are prohibited places carriers in an untenable position and may result in regulatory assessments that are unnecessarily punitive. Moreover, some argue that regulatory definitions of price optimization are overly broad and may implicate rating practices that are beneficial to policyholders.

To date, eight states—California, Florida, Indiana, Maryland, Ohio, Vermont, Virginia and Washington—have issued formal statements prohibiting certain price optimization practices in rate-making by property and casualty insurers authorized to do business in those states. At issue in the summaries below are increasingly controversial price optimization practices that involve analysis and incorporation of data not related to expected risk losses.

- **California:** On February 18, 2015, the California Department of Insurance issued a Notice that ordered any insurer that has incorporated price optimization factors in its rating plans

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[1] Matt Fellowes, *From Poverty, Opportunity: Putting the Market to Work for Lower Income Families*, The Brookings Institute (July 2006), http://www.brookings.edu/research/reports/2006/07/poverty-fellowes.

[2] Insurance Information Institute, Annual *Pulse* Survey (May 2014), http://www.iii.org/presentation/price-optimization-in-auto-insurance-markets-actuarial-economic-and-regulatory-considerations-071715.

[3] *See* NAIC White Paper Comments, *supra* note ii.

[4] *Id.*

Price Optimization – continued from **page 5**

to remove those factors and re-file by August 18, 2015.[5]

- **Florida:** On May 14, 2015, the Florida Office of Insurance Regulation issued a Memorandum declaring that it considers the use of price optimization to be an unfairly discriminatory practice in violation of Fla. Stat. § 627.062(2)(b) and (2)(e)(6).[6] Insurers that have used price optimization in the determination of the rates filed and currently in effect must submit a filing to eliminate that use.[7]
- **Indiana:** On July 20, 2015, Indiana's Department of Insurance issued Bulletin 219 directing all companies using price optimization to rate policies being sold in Indiana to submit a new rate filing within 90 days of the issuance of Bulletin 219.[8] Companies that fail to comply with Bulletin 219 and are later determined to be using prohibited price optimization practices may be subject to disciplinary action.[9]
- **Maryland:** On October 31, 2014, the Maryland Insurance Administration (MIA) issued Bulletin 14-23, declaring that price optimization results in rates that are unfairly discriminatory in violation of Md. Ins. Art. § 27-212(e)(1).[10] The MIA required every insurer who has utilized "price optimization" to file a corrective action plan no later than January 1, 2015.[11]
- **Ohio:** On January 29, 2015, Ohio issued Bulletin 2015-01, which declared that "price optimization" is an unfairly discriminatory practice in violation of Ohio Rev. Code §§ 3901.21(M), 3937.02(C) and (D), and 3935.03(B).[12] Any insurer utilizing price optimization in rate-making was to submit a SERFF filing that eliminates the factors based on price optimization no later than March 31, 2015, with proposed effective dates no later than May 31, 2015 for new business and June 30, 2015 for renewal business.[13]
- **Vermont:** On June 24, 2015, the Vermont Department of Financial Regulation (DFR) issued Insurance Bulletin No. 186 stating that "judgmental adjustments to a rate may not be based on non-risk-related factors such as 'price elasticity of demand' which seek to predict how much of a price increase a policyholder will tolerate before switching to a different insurer."[14] As of June 24, 2015, all personal lines rate filings must disclose on the SERFF General Information page whether the company uses non-risk related factors such as "price elasticity of demand" to help determine the insured's final premium.[15] In addition, rate filings currently under review by the Department must be amended to disclose this information.[16]
- **Virginia:** In June 2015, the Virginia Bureau of Insurance released a handbook, titled "Virginia Property & Casualty Filing Guidelines Handbook," which states that price optimization violates the Code of Virginia Section 38.2-1904.[17]
- **Washington:** On July 9, 2015, the State of Washington's Office of Insurance Commissioner issued Technical Assistance Advisory 2015-01, which states that "[t]o the extent that an insurer's use of price optimization results in premiums, rates, or rating factors unrelated to cost and risk, it will be considered unfairly discriminatory and in violation of Washington state law. The IOC will not approve unfairly discriminatory rates."[18]

Price optimization is also receiving increasing scrutiny from other state regulators:

- **Connecticut:** Connecticut is considering Proposed Bill No. 237, which would prohibit automobile insurance companies from using price optimization to set private passenger non-fleet automobile insurance rates or increasing rates without cause.[19] That proposed legislation would also require any company that is determined to have used price optimization to set an insured's rate to provide a rebate to such insured.[20]
- **New York:** Earlier this year, the New York Department of Financial Services sent a letter to hundreds of car and property insurers.[21] The letter requested details on price optimization

[5] State of California Department of Insurance, Notice Regarding Unfair Discrimination in Rating: Price Optimization (Feb. 18, 2015), http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/PriceOptimization.pdf.

[6] Florida Office of Insurance Regulation, Use of Price Optimization in Premium Determination (May 14, 2015), http://www.floir.com/siteDocuments/OIR-15-04M.pdf.

[7] *Id.*

[8] Indiana Department of Insurance, Price Optimization (July 20, 2015), http://www.in.gov/idoi/files/Bulletin_219.pdf.

[9] *Id.*

[10] Maryland Insurance Administration, Bulletin 14-23 (Oct. 31, 2014), http://www.naic.org/documents/committees_c_catf_related_maryland_bulletin.pdf.

[11] *Id.*

[12] Ohio Department of Insurance, Bulletin 2015-01 (Jan. 29, 2015), https://insurance.ohio.gov/Legal/Bulletins/Documents/2015-01.pdf.

[13] *Id.*

[14] Vermont Department of Financial Regulation, Insurance Bulletin No. 186 (June 24, 2015), http://www.dfr.vermont.gov/sites/default/files/Bulletin_186.pdf.

[15] *Id.*

[16] *Id.*

[17] Virginia State Corporation Commission, Virginia Property and Casualty Filing Guidelines Handbook (June 2015), http://www.scc.virginia.gov/boi/co/pc/files/pc_handbook.pdf.

[18] State of Washington Office of Insurance Commissioner, Technical Assistance Advisory 2015-01 (July 9, 2015), http://www.insurance.wa.gov/about-oic/newsroom/news/2015/documents/TAA-PO-July2015.pdf.

[19] Sen. B. 237, 2015 Gen. Assemb., January Sess. (Conn. 2015), http://www.cga.ct.gov/2015/TOB/S/2015SB-00237-R00-SB.htm.

[20] *Id.*

[21] New York DFS Opens Inquiry Into Price Optimization, Insurance Journal (Mar. 20, 2015), http://www.insurancejournal.com/news/east/2015/03/20/361413.htm.

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practices in order to determine each insurer's compliance with state laws that prohibit unfairly discriminatory rates.[22]

The NAIC is currently in the process of drafting a white paper on the topic. The latest draft dated May 19, 2015 acknowledges the complexity inherent in price optimization and its prevalence in less-regulated industries such as retail and travel, but has yet to draw any conclusions.[23] In recently submitted comments to the May 19, 2015 draft, industry and consumer representatives alike have raised concerns with the NAIC's working definition of "price optimization." For example, the American Insurance Association has cautioned that the NAIC Task Force "must be certain that any definition or characterization of the practice put forth does not inadvertently capture historically acceptable ratemaking practices, i.e., those specifically permitted by state law"[24] while the Consumer Federation of America & Center for Economic Justice has posited that the definition of NAIC's "price optimization" should be further clarified to indicate that it is "a new approach to ratemaking that, for the first time, reflects individual consumer demand in pricing."[25] Meanwhile, the Property Casualty Insurers Association of America has indicated that they do not think that additional limitations on price optimization are necessary at the NAIC-level, especially given that state insurance regulators "have a vast array of tools to assure compliance and have not been reluctant to use them."[26]

Comments on the most recent version of the white paper were discussed at a Task Force meeting on July 21, 2015. Specific written proposals for regulatory recommendations are due by July 31, 2015, and the Task Force expects to circulate a new draft of the white paper for discussion during the NAIC's summer meeting on August 15, 2015. The NAIC is expected to publish its final recommendations in the fall of 2015. ■

Stephanie Duchene is a partner in the Insurance Regulatory group of Dentons US, LLP. Stephanie consults and advises clients on a variety of insurance regulatory compliance issues, including market conduct examinations (multi-state examinations and investigations), sales practices compliance, defense of enforcement actions, licensing, regulatory approvals, receivership and liquidation, electronic commerce and online advertising, agent and broker issues and transactional matters (including acquisition, merger and demutualization), as well as product and market development issues. She represents national insurers, insurance-related service companies, brokers and state governments.

Catharine Luo is a member of Dentons' Litigation and Dispute Resolution practice with a particular focus on insurance-related litigation and investigations. Her experience covers a range of areas, including representation of insurers in coverage dispute and securities fraud litigation as well as before state regulators.

[22] *Id.*

[23] National Association of Insurance Commissioners, Casualty Actuarial and Statistical (C) Task Force Price Optimization White Paper (May 19, 2015), http://www.naic.org/documents/committees_c_catf_exposure_price_optimization_wh_paper_draft.pdf.

[24] *See* NAIC White Paper Comments, *supra* note ii.

[25] *Id.*

[26] *Id.*

New IRES Website Coming Soon!

We are excited to announce the upcoming release of our newly redesigned website. It has been crafted to reflect what our members told us they need now and it also builds upon technology capable of addressing future needs.

Once launched, you will immediately notice the fresh, new look, streamlined menus, simplified navigation, and more direct access to the information you need. As you explore the new website, you'll also find the following changes:

Layout

- Easier to read on mobile devices
- Menus and content
- Content reconfigured and streamlined
- Updated navigation menus
- Members-only content accessible throughout the site

User accounts

- Improved access to individual user accounts
- Increased control of your own information
- Customizable username and password
- Ability to:
  - Update your contact information and preferences
  - View your membership status and renewal date
  - Review your event registrations, continuing education history, and your job and resume posting history
  - Edit your currently-published job and resume postings

Member directory

- Improved interface to manage your member directory listing
- Increased control over member directory settings

Designation credits

- Improved process for reporting continuing education credits

Online transactions and self-populating forms

- Improved online transaction process with self-populating forms

RSS feeds

- Ability to track IRES news, events, and job/resume postings through the RSS reader of your choice

Watch your email for a launch notification message. We hope you enjoy our redesigned site. If you have any questions, comments or suggestions, please send them to the IRES office. ■

President's Closing Remarks

IRES CDS in Charleston, SC

by Parker Stevens, CIE, AMCM, FLMI, AIRC, CCP, CFE

It has been a very busy year for IRES and an honor to serve as your President. Before I recap our accomplishments, I want to say thank you to a few individuals.

First, I want to thank the IRES CDS Committee, led by Ken Allen and Robin Clover, for such a wonderful and successful conference, and all the members of the Executive Committee who have led their committees with passion and professionalism. Each was given a set of goals to help IRES grow and they accomplished all of them plus some.

Second, I thank the Board of Directors for all their support on committees, helping grow our membership, and promoting IRES as a whole through marketing efforts. I need to also thank Past President Don Koch, who was my first ever supervisor and mentor in market regulation. I have always been grateful for the knowledge his passed on to me. Thank you, Don!

To all the past presidents, I want to say thank you. I watched each of you succeed and be a great role model for both IRES and our future leadership. Thank you for your guidance and support.

In addition, I need to thank the Synergos team. It has been a pleasure to work next to you. Your outside-the-box thinking has truly helped guide IRES to a very productive and fruitful year. I also need to thank my employer, Examination Resources, for all their support and encouraging me to stay involved in IRES. Thank you, Becky.

Finally, I want to thank my wife, Susanna, who has graciously put up with my busy schedule and fully supported my involvement in IRES. She has been wonderful during this whole process and I love her even more for that. Thank you, Susanna.

As for my goals, I wanted to focus on giving the members more bang for their buck by providing more educational opportunities, which would also help more individuals achieve one of their IRES designations just a little bit faster. We were very successful on all fronts: the MCM® and AMCM programs as well as through our designation assistance programs and webinars. Each of these areas surpassed prior years' efforts. So a big thank you should go out to the Education and MCM/AMCM Committees on a job well done.

Another goal was to revisit our five-year plan and see if we are still on track. This goal was not fully accomplished, as the RFP process took up so much of the year, but our current plan is still on track. We should continue to update our goals each year to keep growth a priority. These goals should be fairly straightforward and promote the future of our organization. I would like to continue to see this project through to the end and have offered to serve on this committee next year.

Goal three for me was to use as many past presidents as possible throughout IRES committees. Their knowledge and experience is worth so much and having them mentor our future leaders, I felt, was a must. I'm happy to report that many past presidents have continued to serve IRES in a variety of ways, from the RFP Committee to leading our AMCM program. Many also served as panelists at this year's CDS. I can't thank them enough for their support and help when we (the Executive Committee) have had questions that only a past president could answer. They have also shown me that being a past president doesn't mean you can't be involved with IRES anymore. It's actually the opposite.

My final goal was to revise and update our major marketing arms: our website and conference booth. I am so excited to announce that both will be accomplished this year. The booth was by far the easiest to complete and the new look is more modern and in line with similar associations. The new booth has seen a lot of travel already this year, so it was well worth the cost to upgrade. As for the website, this is well underway under the leadership of the Website Subcommittee. They have worked extremely hard to ensure that the final product (anticipated to launch by mid-August 2015) will be very user friendly, modern, and full of easy-to-find information. You will see that it is an eye-catcher and should lead to an increase in membership.

In closing, I want to thank everyone for making this an enjoyable and successful year. It has been my privilege to serve as president and I look forward to my continued service to the Society in my new role as immediate past president. ■

Parker Stevens, IRES President
parkerstevens@examresources.net

Changing with the Times

A Letter from the President

by Tanya Sherman, AMCM

This past year was full of exciting events for the Insurance Regulatory Examiners Society. Under the great leadership of Parker Stevens, we once again put our contract for the management company out for bid and the winning firm certainly proved that the decision was the correct one at the IRES CDS in Charleston, SC. This year's CDS was full of great sessions from Cybersecurity to Analysis to Complaint Handling. IRES owes a special thanks to Ken Allen's leadership in coordinating the event and to the presenters, sponsors and Synergos staff.

As part of the new management contract, a website redesign has been initiated and will probably be released before this article gets published. Many thanks to the Website Subcommittee, Lisa Brandt and Parker Stevens in leading the charge to release this new site that will be more user friendly and usable with all forms of technology.

I would like to personally recognize a few other individuals who have really exemplified leadership for IRES in the recent years, all of whom are now stepping down from the IRES board of directors:

- Andrea Baytop – Led the MCM/AMCM and Education Committee for an entire year until it was recognized that the committee needed to be broken out into two committees. She has ensured the financial success of the organization by coordinating the MCM® and AMCM sessions for the past two years with hundreds of graduates.
- Tom Ballard – Former IRES president and one of the "papas" of the AMCM.
- Stacy Rinehart – Worked tirelessly on the Publications Committee, reviewing all the e-blasts and assisting with *The Regulator®*.
- John Pegelow – Led the IRES Webinar Subgroup for the past two plus years and coordinated 10 webinars single handedly during his leadership.
- Holly Blanchard – Former IRES president and mentor. She helped put IRES on a new path with her vision for the future by initiating many new items, such as the webinar program. All the while, she was continuously volunteering on too many committees to mention.
- Joe Bieniek – Our former treasurer extraordinaire, aka "Mr. T" for Mr. Treasurer or, as my son calls him, "Uncle Joe."
- Donald Bratcher – A key member of the Meetings and Elections Committee, helping with the site selection for the 2016 IRES CDS in Scottsdale, AZ, and attending the on-site visit for that event.
- Gregory Bronson – Provided leadership for multiple years on the State Chairs Subcommittee.
- Marty Hazen – An icon on the IRES board of directors. He contributed on numerous projects over the years, assisting with finding those extra activities at the CDS meetings and making so many other contributions!

The leadership of these individuals will be missed, but we are hopeful that they will all remain active IRES members and continue to contribute to the Society.

As you can see, we have encountered some significant turnover to the IRES board. However, we have some new members that will bring new talents, skills and ideas.

Many of the founders of the market regulation process are entering a new phase and retiring or selecting career paths within the industry. One of the challenges facing our industry is turnover.

This year, the Membership and Benefits Committee (along with other board members) is going to initiate a new pilot program to work with select universities and colleges to promote IRES and our designation programs. We are also hoping to generate interest in a job posting area by adding internships within the industry and with Departments of Insurance.

In keeping up with the changing insurance industry, the Accreditation and Ethics Committee will continue to work with America's Health Insurance Plans (AHIP) and determine whether a health only designation could be another option for the AIE® designation. The MCM/AMCM Committee will be updating the MCM® course to include new technology and cybersecurity information, as well as working with the NAIC Education Department to get pre-approval for continuing education credits for both of these courses.

Continuing with our mission of education, the Education Committee will be offering more free webinars to IRES members and determining the next designation assistance session to help members obtain their designations. We are always looking for new hot topics and voluntary presenters for the webinars, so please reach out to the IRES leadership and let us know if you have ideas or want to participate.

A new program is currently in process that is designed to replace one of the IT track options and will include advanced techniques on analysis and utilization of technology. We are hoping to have this session completed and available at next year's CDS in Scottsdale, AZ. Please mark your calendars now for 2016 IRES CDS, August 7-10, 2016.

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Changing with the Times – continued from **page 9**

Finally, IRES will continue to contribute to the work being conducted by the NAIC membership in the development of the Market Regulation Accreditation Program.

As you can see, these are exciting times for our Society. If any of these initiatives interest you, we kindly request that you sign up and volunteer to be a member on that committee. Not to sound like a cliché, but the success of our Society depends on volunteers like you.

If you have additional ideas and recommendations on how we can make your membership to IRES more relevant to your needs, please feel free to contact me, any of the board members, or your IRES State Chair. ■

Tanya Sherman is currently the Market Conduct Manager and Supervisory Insurance Examiner for Delaware. In her role, she conducts and coordinates Market Analysis, Continuum of Regulatory Options and other special examination projects.

Awards Presented at 2015 CDS

by Carla Bailey, CIE, CICSR, MCM

Congratulations to each of the award winners recognized at this year's Career Development Seminar!

- **President's Award:** LeAnn Crow and Robin Clover
- **Al Greer Achievement Award:** Sue Ezalarab
- **Chartrand Communications Award:** Cristi Owen
- **Schrader Nelson Publications Award:** Thomas Hampton
- **Rookies of the Year:** Jack Engle and Tara Smith

President's Award

LeAnn Crow, AMCM, APIR, PIR, is Director of the Consumer Assistance Division of the Kansas Insurance Department. In honoring her with the President's Award, IRES President Parker Stevens had the following to say about LeAnn: "In her current role, she is responsible for the oversight of the Property & Casualty unit and Accident & Health unit within the division. Prior to this role, she was the Supervisor of the Property & Casualty unit within Consumer Assistance, worked as a market conduct examiner, and also a consumer representative in the Accident & Health unit of Consumer Assistance. This recipient has over 17 years of insurance experience, as she previously worked as a claims supervisor for a property and casualty company prior to her employment at the Kansas Insurance Department. As an IRES member, she is currently the chair for the State Chair Subcommittee (under the Membership and Benefits Committee) and is on the Publications and Public Relations Committee, as well. Currently, she holds the Advanced Market Conduct Management (AMCM) designation and is working on courses to obtain her AIE® and CICSR® designations, as well. As you can see, this individual has done a great deal this year, but—more importantly—I should note her willingness to always help. She has never once turned down a request for help and has tackled every task with excitement and passion."

Robin Clover, MCM, CPCU, is Vice President, Government Relations and Regulatory Support Services at Fireman's Fund Insurance Company. In recognizing Robin's contributions, Parker Stevens noted, "This individual is always willing to help and is one of our more enthusiast directors. She has over 25 years' experience in the insurance industry, with expertise in government relations, insurance regulation and overall regulatory compliance. Within IRES, she serves as our vice chair of the CDS Committee and our IRES Foundation representative on the board of directors; she is the IRES Foundation treasurer; and she has become one of my dearest friends. It was my honor to work alongside her as we planned the Joint Market Regulation Forum in St. Louis last year and I was beyond impressed with her attention to detail. She keep us all organized, and it was during this committee work that we realized that jokes and pranks were the only way to survive the year."

Al Greer Achievement Award

The Al Greer Achievement Award was established by the IRES board of directors in 1998 in honor of Al Greer. Mr. Greer was one of the original state insurance examiners who had the vision to establish the Insurance Regulatory Examiners Society in the late 1980s. The Al Greer Achievement Award is presented annually to an insurance regulator and IRES member who not only embodies the dedication, knowledge and tenacity of a professional regulator, but who exceeds those standards.

Sue Ezalarab, CIE, MCM, FLMI, CPCU, is the Policy Initiatives Advisor Executive at the Wisconsin Office of Commissioner of Insurance. According to her nominator, Sue has been a regulator for 28 years. She has served the consumers of Wisconsin in several capacities. She has formerly served the department as the Market Regulation Bureau Director and Section Chief of Life and Health department. Sue is active with the SERFF program and serves the NAIC in many ways. Sue is currently the chair of the General Membership Subcommittee of the IRES Membership and Benefits Committee. Sue has dedicated her career to the regulation of insurance and helped IRES grow with changing market regulation and market analysis trends. Additionally, Sue has served on numerous NAIC committees, assisted in the development and refinement of key NAIC market systems, aided in the development of MCAS and served as a faculty member of the IRES Foundation.

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2015 Awards – continued from **page 10**

Chartrand Communications Award

For more than 20 years, David Chartrand and his incredible associates Susan Morison, Elaine Bickel, Joy Moore, and Art Chartrand were at the helm of IRES. Without the dedication and devotion of these diligent individuals, IRES would not be the organization that it is today. This award is to recognize those who have made a difference to IRES through their actions—a person who has really strived to keep IRES moving toward the future and continually tries to make a difference in IRES.

Cristi Owen, MCM, CPA, CFE, CPM, is an insurance examiner with the Alabama Department of Insurance. The nomination submission for Cristi shared that she is an example of someone who is taking IRES to the next level and is helping to bring IRES into the future. Not only does Cristi keep busy with her regular duties in the state of Alabama, she is always making improvements and volunteering to assist on a number of committees. She has served as a member of the following committees: IRES Board of Directors, Accreditation and Ethics Committee, CDS Committee, Education Committee, MCM/AMCM Committee, and Membership and Benefits Committee. In particular, Cristi has assisted with a number of initiatives, such as designing and implementing the IRES ethical attestation, revising the NICE manual, assisting with updates to a variety of websites… the list goes on and on. She is currently a member of the Accreditation and Ethics Committee, where she also is the co-chair of the Curriculum Subcommittee. On occasion, there have been times when a request for volunteers is made on one of these committee calls and there is an eerie silence… then you hear Cristi saying, "I'll help." Not only does she volunteer, she helps to make others want to volunteer—and the best part is that she follows through, exceeding expectations.

Schrader-Nelson Publications Award

This award was established in 1994 and named in honor of the first chair of the Publications Committee, Tony Schrader, and the first recipient of the award, Ben Nelson. Mr. Schrader is one of the Society's founding members and a former editor of *The Regulator®*. Mr. Nelson received the first annual award for his feature article about workers' compensation reform in Nebraska, which was published in the March 1994 issue. The Schrader-Nelson Publications Award honors the most outstanding original contribution to the Society's newsletter, *The Regulator®*.

Thomas E. Hampton is the recipient of the 2015 Schrader-Nelson Publications Award for his article *The Effects of Cyber Attacks on the Insurance Industry*, which appeared in the Spring 2015 issue of *The Regulator®*. He is a senior advisor in Dentons Insurance Regulatory Practice. He works with clients on financial regulatory and captive insurance projects.

Al Gross and Jim Long Rookie of the Year Scholarship Recipients

This scholarship is named after two long-serving insurance commissioners who passed away shortly after retiring from their positions: North Carolina Insurance Commissioner Jim Long and Virginia Commissioner of Insurance Al Gross. Both of these Commissioners were dedicated to serving their constituents. In reading about these men, the same attributes came up again and again: dedicated, leaders, innovators, mentors. Neither was afraid to get involved in difficult issues and find solutions by looking outside the box. Both men were recognized and touted as exceptional leaders by their peers and those who worked for them.

The scholarship is awarded to regulators who have demonstrated exceptional promise, professionalism and a commitment to continual improvement. Recipients will be reimbursed up to $1,000 in travel-related expenses as well as waived registration fees at an IRES educational event.

Jack Engle, MCM, is Assistant Deputy Director, Market Conduct and Analysis for the Illinois Department of Insurance. His nomination by James Stephens, acting director of the Illinois Department of Insurance, said that, "From the first day Jack set foot in the Department, he has worked arduously to learn the Market Conduct rules and regulations. He started off as a field examiner and very quickly stood out as a leader and an excellent teammate, which is why he was chosen to fill the Assistant Deputy position." Jack has 25 years' experience in the insurance industry and is an avid motorcyclist and Chicago Cubs fan.

Tara Smith is a Rate Analyst II with the Colorado Department of Regulatory Agencies. Marguerite Salazar, Colorado Department of Regulatory Agencies Commissioner, said of Tara, "Tara has been responsible for reviewing policy forms to ensure the forms comply with state and federal benefits. Her duties also include the review of rates to ensure they are not excessive, inadequate or unfairly discriminatory. She is responsible for reviewing network adequacy filings to ensure providers are available and accessible. Tara was recently awarded the Department of Regulatory Agency's (DORA) Employee of the Year. She is a tireless, hard driving consumer advocate working to make the Colorado insurance market more competitive and ensuring consumers have the protections needed to have products that meet their needs."

2016 Awards and Scholarships

Watch for further information about nominating candidates for the following awards and scholarships on the new IRES website:

- Al Greer Achievement Award
- Chartrand Communications Award
- Al Gross/Jim Long Rookie of the Year Scholarship ■

2015 CDS in Photos

by LeAnn Crow, AMCM

It was great to seeing everyone who attended the CDS in Charleston! Highlights of the meeting included sessions on cybersecurity, price optimization, bail bonds, complaints and accident and health exams. All sessions were well attended and the speakers gave great presentations on their topics.

The evenings included welcome and appreciation receptions, held on Sunday and Tuesday, respectively. Networking and catching up with friends were highlights of those evenings. Some dancing also occurred!

Awards were presented during the luncheon on Tuesday.

Please enjoy these pictures from 2015 CDS. ■

Speakers and Sessions (July 19-22, 2015)

State Chair Meeting (Sunday, July 19, 2015)

panel session

Ken Allen, 2015 CDS Chair

Incoming president Tanya Sherman

Attendees between sessions

Robin Clover, 2015 CDS Vice-chair

Session

Session speaker Ingrid Franklin

Luncheon & Speaker/Awards

Awards Presentation (Tuesday, July 21, 2015)

Robin Clover receiving 2015 President's Award from Parker Stevens

Al Greer Award being accepted on behalf on Sue Ezalarab

Parker Stevens receiving Past President's Award from incoming president Tanya Sherman

LeAnn Crow receiving 2015 President's Award from Parker Stevens

Cristi Owen receiving the 2015 Chartrand Communications Award

Welcome Reception

(Sunday, July 19, 2015)

Tanya Sherman and Mark Hooker

Appreciation Reception

(Tuesday, July 21, 2015)

'Zoning In'

By Kathy Donovan, MCM

Northeast Zone

Massachusetts Addresses "Timing of Notices of Transfer of Insurance Coverage"

Division of Insurance Bulletin 15-04 indicates the following process will be effective on Oct. 1, 2015: "In order to maintain proper coverage for vehicle registration purposes, and avoid unintended lapses in coverage, the notification of coverage transfer shall not be issued to the prior producer or insurer before the insurer of the replacement policy has actually received the required down-payment or first payment. The notification of coverage transfer shall be issued no later than 10 days after the day the replacement insurer receives the down-payment or first payment for the replacement policy."

Vermont Issues "Price Optimization" Bulletin"

Bulletin 186 directs insurers that "all personal lines rate filings must disclose on the SERFF General Information page whether the company uses non-risk-related factors." Examples of such factors addressed in this Bulletin include price elasticity of demand which seeks to "predict how much of a price increase a policyholder will tolerate before switching to a different insurer." The Department of Financial Regulation further advised that "rate filings currently under review by the department should be amended to disclose this information."

Southeast

Georgia Enacts "Self-Evaluative" Privilege

Effective July 1, 2015, HB 162 established a statutory framework designed to encourage insurance companies to "conduct voluntary internal audits of their compliance programs and management systems and to assess and improve compliance with state and federal statutes, rules, and orders."

Louisiana Enacts "Corporate Governance Annual Disclosure Act"

HB 199, effective Jan. 1, 2016, will require domestic companies to provide the commissioner a summary of the insurer or insurance group's corporate governance structure, policies and practices. This Act is aligned with the NAIC's Corporate Governance Annual Disclosure Act (Model 305).

Tennessee Advances Its "Insurance Verification Program"

The "James Lee Atwood Jr. Law" (HB 606) was enacted to develop and implement an efficient insurance verification program. Automobile liability insurers will be required to comply with multiple requirements, including the following:

- Cooperate with the Department of Revenue or its designated agent, the Department of Safety & Homeland Security, and the Department of Commerce and Insurance in establishing, operating and maintaining the vehicle insurance verification program;
- Maintain the data necessary to verify the existence of financial responsibility, including liability insurance coverage provided to its customers pursuant to the required time period established by the Department of Revenue, for the vehicle insurance verification program;
- Maintain internet service through which online insurance verification can take place, including responding to authorized inquiries from the Department of Revenue or its designated agent of the vehicle insurance verification program; and
- Provide security consistent with accepted insurance industry and United States motor vehicle agency standards related to the transmission of personal data.

Midwest

Indiana enacts "Corporate Governance Annual Disclosure Act"

Effective Jan. 1, 2016, HB 1341 mandates new annual corporate governance annual disclosure (CGAD) filing requirements which are based on the NAIC's Corporate Governance Annual Disclosure Model Act (Model 305).

Michigan Addresses Automobile Policy Cancellation Policy Provisions

Bulletin No. 2015-14-INS indicates the Department of Insurance and Financial Services' (DIFS) position that "insurance policy form provisions that provide for termination or rescission without notice in the event of fraud in connection with a claim are not enforceable." The DIFS encourages insurers "to review their policy forms, make necessary modifications, and file them with DIFS if the reviewed forms are found to contain impermissible provisions."

Nebraska Issues Guidance on Annuity Suitability Producer Training

CB-128 (Amended) was issued by the Nebraska Department of Insurance in response to a number of inquiries concerning annuity training requirements for producers. Presented in a "Q&A" format, CB-128 (Amended) provides clarification on issues including the actual requirements for producers selling annuity products and topics required in an annuity training course.

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'Zoning In' – continued from page 15

Western Zone

California Enacts Changes in Death Benefits Calculations

SB 426, enacted July 15, 2015, adds new statutory provisions which mandate that for "contracts issued or delivered on or after Jan. 1, 2016, to persons who are 65 years of age or older, the death benefit shall be at least equal to the annuity value or accumulation value, excluding any surrender charges or penalties upon death."

Nevada Issues Guidance on Gender Identity or Expression Discrimination

Bulletin 15-002 provides the Division of Insurance position that it "will not approve exclusionary language in violation of NAC 686A.140 related to the denial, exclusion or limitation of medically necessary health care services, including benefits or coverage, under the contract of insurance on the basis of gender identity or expression."

Oregon Enacts Reporting Safeguards for Protected Health Information

Effective Jan. 1, 2016, health insurers are included as "covered entities" required to file an annual "protection of health information" report with the Department of Consumer and Business Services. HB 2551 permits the report to be submitted in the form of a letter and requires that it be signed by the chief executive officer. Covered entities must include the following content in the report:

- State the responsibility of the covered entity's management to establish and maintain adequate safeguards and procedures for protecting the confidentiality of personally identifiable and protected health information that the covered entity retains in electronic and hard copy form;
- Contain assurances that the signing officer has disclosed to the governing board of the covered entity: (A) all significant deficiencies in the design or operation of recordkeeping systems or controls that could adversely affect the covered entity's ability to protect the confidentiality of personally identifiable and protected health information; (B) any breaches of the security of personally identifiable and protected health information, whether material or not, that involve management or other employees who have a significant role in the covered entity's recordkeeping systems or controls; and (C) all necessary steps that have been taken to address deficiencies in the design or operation of recordkeeping systems or controls and to resolve any material weaknesses identified to or by the covered entity's auditors; and
- Contain assurances that the signing officer has identified for the governing board of the covered entity any material weaknesses in the recordkeeping systems or controls. ■

Kathy Donovan is senior compliance counsel, insurance with Wolters Kluwer Financial Services. Kathy has more than two decades of experience in insurance compliance. Her expert commentary on legal and regulatory issues affecting the insurance industry is widely published and she is a regular presenter at various industry events.

Featured IRES Member

Mr. Cecil W. Thomas, CIE, MCM, CFE

In an effort to get to know our members and enhance networking within our industry, we periodically publish a Featured IRES Member.

Cecil W. Thomas is currently a partner with The Thomas Consulting Group, Inc., a firm providing regulatory examination services to various insurance departments throughout the country. He is a past president (1993-1994) of the Society of Financial Examiners (SOFE) and a past recipient of the Robert Dineen Award (1994) from the NAIC. Cecil is a CIE, MCM and CFE.

He has been a member of IRES since 1988. Although not as active on the golf course today, Cecil continues to follow his University of South Carolina Gamecocks. He also enjoys travel, movies and spending time with the family.

After retiring from his position of Deputy Director, Solvency, Licensing & Taxation from the South Carolina Department of Insurance in 1997, where he was responsible for all financial examination activities, financial analysis, market conduct examinations, holding company activities, company licensing, agents' licensing and statutory deposits for insurance entities licensed in the state, Cecil began his extended career providing market conduct and/or financial examination services to various state insurance departments and the federal government. During those early years as a consultant, Cecil was fortunate to have worked with his son (Brandon) and daughter (Tara). Brandon continues to provide IS examination services for Thomas Consulting.

Cecil has been married to his wife (Glenda) for 48 years. They have two children and three grandchildren (Brandon's wife, Alyse, has homeschooled for years).

Cecil joined IRES to be a part of the newly formed organization providing specialized training in market conduct activities.

Stay tuned for upcoming information on the next Featured IRES Member. ■

State Chapter News

Delaware

Linda Nemes, MCM, an IRES member since 1998, has announced that, as of October 1, 2015, she will retire from the Delaware Department of Insurance.

Kansas

Marty Hazen retired from the Kansas Insurance Department in June 2015. Marty joined IRES in 1996. He served as State Chair and was on the board of directors for several years.

Virginia

The Virginia chapter has been actively participating on webinars presented by IRES. In 2015, Virginia members attended two IRES webinars: Conducting Advisory Organization Examinations and ACA Market Conduct Preparation.

In addition, each year, Virginia holds training sessions on new state insurance-related legislation passed by the Virginia General Assembly. Two sessions were held this year to accommodate all interested employees of the Bureau of Insurance. During this year's sessions, our presenter provided an overview of each piece of new insurance-related legislation as well as legislation that is being considered by the Virginia General Assembly. Great sessions, Jim!

Lastly, four Virginia chapter members attended the CDS this year in Charlotte, NC. All indicated it was an excellent conference that was well worth the time, and that the speakers in each session were very informative—especially the Commissioners Roundtable. The hot topics that were covered were just that: hot topics and very relevant. The hotel, food and entertainment were very good, the location was ideal, and everything was well executed. Congratulations to Mel Gerachis for earning her AMCM! ■

Welcome, New IRES Board Members!

2015-2016 Executive Committee

- President: Tanya Sherman, AMCM, Delaware
- President-Elect: Tom McIntyre, CIE, CICSR, MCM, Unaffiliated
- Past President: Parker Stevens, CIE, AMCM, Unaffiliated
- Vice President: Ken Allen, AIE, California
- Treasurer: Cristi Owen, AMCM, Alabama
- Secretary: Martha Long, CIE, MCM, Missouri
- At Large: Sam Binnun, MCM, Unaffiliated
- At Large: Randy Helder, AIE, NAIC

New Board Members

2019 Term:

- Tracy Biehn, North Carolina
- Lisa Brandt, AIE, MCM, CICSR, Wisconsin
- LeAnn Crow, AMCM, Kansas
- Angela Hatchell, North Carolina
- Lori Ruggiero, CIE, MCM, Unaffiliated
- Kallie Somme, MCM, Louisiana

2018 Term: *(replacing board members who have resigned due to retirement)*

- Mary Nugent, CIE, AMCM, Federal
- Paula Pallozzi, Rhode Island

2017 Term: *(replacing a board member who has resigned due to retirement)*

- Jenny Jeffers, Unaffiliated

2016 Term: *(one-year term; appointed by the board)*

- Towanda David, MCM, California
- Roshi Fekrat, AMCM ■

Thank You, Outgoing Board Members!

IRES wishes to thank the outgoing board members for their years of service on the board and the Executive Committee. Your participation and guidance throughout the years is appreciated.

Expired Terms

- Tom Ballard, CIE, AMCM, Georgia
- Andrea Baytop, MCM, Virginia
- Joe Bieniek, AIE, AMCM, Unaffiliated
- Holly Blanchard, AIE, MCM, Nebraska
- John Pegelow, AMCM, Wisconsin
- Stacy Rinehart, CIE, CICSR, AMCM, Kansas

Retirements

- Don Bratcher, CIE, MCM, Kentucky
- Greg Bronson, CIE, AMCM, Tennessee
- Marty Hazen, Kansas ■

New Designees

Congratulations!

The following members have received their Accredited Insurance Examiner (AIE®), Certified Insurance Examiner (CIE®), Certified Insurance Consumer Service Representative (CICSR®), Market Conduct Management (MCM®), or Advanced Market Conduct Management (AMCM) designation since the last issue of *The Regulator®*. Please join us in congratulating them!

AIE®

- ★ Matthew Brasch, AIE, MCM
- ★ Sumen Roy, AIE (NY)
- ★ Gilda Thompson, AIE (NC)

CIE®

- ★ Julie Hesser, CIE (MO)
- ★ Mary Mealer, CIE (MO)
- ★ James Morris, CIE (MO)
- ★ Bunlue Ushupun, CIE (MO)
- ★ Donald L. Wilson, CIE (MO)

CICSR®

- ★ Michele MacKenzie, CICSR, MCM

AMCM

- ★ Maria Ailor, AMCM
- ★ Sherry Barrett, AMCM (MI)
- ★ Birny Birnbaum, AMCM
- ★ Phillip G. Chesson, AMCM (FL)
- ★ Melissa Gerachis, AMCM (VA)
- ★ Denise Lamy, AIE, AMCM (NH)
- ★ Meredith Long, AMCM
- ★ Craig McAdams, AMCM
- ★ Tom Whitener, CIE, CICSR, AMCM (WV)

MCM®

- ★ Jim Antush, MCM
- ★ Nicole M Boyd, AIE, CICSR, MCM (KS)
- ★ Colleen Burns, MCM
- ★ Kerry Busniak, MCM
- ★ Mary Frances Butler, MCM
- ★ Jacquelin Curry, MCM
- ★ Nadean Dalton, MCM
- ★ Dustin DeGroote, MCM (IA)
- ★ Kelly Eirp, MCM
- ★ Megan Fuller, MCM
- ★ Nick Garlisch, MCM
- ★ Barbara Ann Hudson, MCM
- ★ Kelly Krakowski, MCM
- ★ Joseph S. Krug, MCM (NY)
- ★ Shannon Lloyd, MCM
- ★ Terra Mason, MCM (IA)
- ★ Robert J. McGee, MCM (NC)
- ★ Suzanne M. Murphy, MCM (ME)
- ★ Lindsey Pittman, MCM (KS)
- ★ Howard B. Quinn, AIE, MCM (AZ)
- ★ Jeniece I. Roher, MCM
- ★ Marie Ryan, MCM
- ★ Kevin Schlautman, MCM
- ★ Timothy N. Schott, MCM (Unaffiliated)
- ★ Mark M. Sitter, MCM (Unaffiliated)
- ★ Brenda Westvold, MCM
- ★ Scott Whitaker, MCM
- ★ James Young, AIE, MCM (NH)
- ★ Jeffrey Zewe, MCM (LA)

New Members

Welcome!

The following members have joined IRES since the last issue of *The Regulator®*. Visit the online member directory to learn more about them—and please join us in welcoming them!

GENERAL

- ★ Leah Anderson
- ★ Colleen Burns
- ★ Katie Dzurec-Dunton (MD)
- ★ Deborah L. Harden (Unaffiliated)
- ★ William C. Harrington (OH)
- ★ Doris Jackson (OH)
- ★ Joseph S. Krug (NY)
- ★ Joanna Latham (GA)
- ★ Thomas Masterson (IN)
- ★ Kofi A. Mensah (NY)
- ★ Johanna Nagel (IA)
- ★ Nicole Richards
- ★ Jeniece I. Roher
- ★ John E. Salas (TX)
- ★ Timothy N. Schott (Unaffiliated)
- ★ Rebecca Shigley
- ★ Heather Steinkamp (KS)
- ★ Jeffrey Zewe (LA)

INDIVIDUAL SUSTAINING

- ★ Julie Balunas
- ★ Kelsey Brunette
- ★ Kerry Busniak
- ★ Julia Weber

INSURANCE REGULATORY EXAMINERS SOCIETY
The Professional Society Committed to Excellence in Insurance Regulation
www.go-ires.org | info@go-ires.org

To submit articles, photographs, or calendar items, contact: IRES, 1821 University Ave W, Ste S256, St. Paul, MN 55104; email TheRegulator@go-ires.org; phone 651-917-6250; fax 651-917-1835.

Editor's Corner

by Kara Baysinger

In this issue of *The Regulator®*, we welcome new IRES board members, a new Executive Committee, and new IRES President Tanya Sherman. We sincerely thank our outgoing board members and our past president, Parker Stevens, for their service and guidance. Your contributions of time, energy and intellect have been critical to the success and respect this organization enjoys!

We also highlight the recent CDS meeting in Charleston, South Carolina, and again extend a special congratulations to this year's award winners: LeAnn Crow and Robin Clover (President's Award), Sue Ezalarab (Al Greer Achievement Award), Cristi Owen (Chartrand Communications Award), Thomas Hampton (Schrader Nelson Publications Award) and Jack Engle and Tara Smith (Rookies of the Year).

This issue focuses on a number of hot topics. Thank you to Ms. Gleason of the AIA for her insightful article addressing insurance considerations in home-sharing. As the "sharing economy" grows, so do the risks carriers and consumers must consider. Also of growing interest are the advances in driverless automobile technology. Thank you to Ms. Brunette for her look into autonomous vehicles and the implications for insurers relating to their use. Finally, Ms. Duchene and Ms. Luo update us on recent increased scrutiny into insurers' use of price optimization, what aspects of the practice are controversial and how state regulators are reacting.

Please let me know if you have any feedback on this issue or ideas for upcoming issues. It's your organization: Make sure your voice is heard—right here in *The Regulator®*. ■

NEXT ISSUE

We always have room for another article, so submit your ideas through the form on the IRES website (under *The Regulator®* menu item) or contact us at TheRegulator@go-ires.org.

– Your staff at The Regulator® (Kara and Stephanie)