



## Earthquake Insurance

by Glenn Pomeroy

California is a massive, sprawling state. Extending 800 miles north to south, sandwiched between the majestic Sierra Mountains on the east and the mighty Pacific Ocean to the west, California is home to 37 million people. Our farmers feed the world, and our seaports provide a vital pipeline for our nation's international trade. If California was a country, our economy would be the 8th largest on the planet.



Yet for all California's economic muscle, natural resources and diverse beauty, California also has its (seismic) faults – which have a history of violent ruptures causing billions of dollars in damage. And we know they will rupture again. Scientists agree that it is not a matter of if, but when, California will suffer another devastating earthquake.

Though California is home to two-thirds of the nation's earthquake risk, most Californians are not prepared to recover from our next devastating shake. Since earthquake damage was excluded from California's home insurance policies in 1984, only about 10 percent of the state's residences (single-family home, condo, renters) are now insured for this risk through a separate earthquake policy.

Why is it that so few Californians have earthquake insurance to protect their

hard-earned home equity, and their valuable household possessions?

Through CEA's ongoing consumer-research initiatives, a clearer picture has emerged to help define some of the barriers to purchasing earthquake insurance.

- **Out of sight, out of mind.** Fortunately, devastating earthquakes do not occur frequently. As a result, there is a tendency to forget they happen at all, which contributes to a dangerous sense of complacency held by many who live here.
- **False hope for government bailout.** Many people believe the government will swoop in to cover their costs to repair disaster damage. Unfortunately, this thinking ignores the harsh reality that following big natural disasters – people with proper insurance have the resources they need to recover – while those without insurance wait in lines to apply for government grants averaging about \$5,000 for health and safety needs, or limited government loans for repairs.
- **Mistaken belief that earthquake damage is covered in the home insurance policy.** In California, and in most states, earthquake damage is specifically excluded in standard home

□ continued on page 2



### WHAT'S INSIDE

Earthquake Insurance .....	1
ACA Market Conduct Examinations .....	3
IRES Website Launched .....	4
Evaluating LTCI Rate Increases .....	6
Getting to Know Your Executive .....	8
IRES Member of the Month .....	9
Changing with the Times .....	10
8 Reasons Why You Should Renew ....	11
NAIC D Committee Update .....	12
Rookie of the Year Scholarship .....	14
IRES Foundation School .....	15
'Zoning In' .....	16
Top 10 Market Actions in 2014 .....	18
State Chapter News .....	18
New Designees .....	19
New Members .....	19
In Memoriam .....	20
Editor's Corner .....	21

### MARK YOUR CALENDAR

**April 17-19, 2016**  
2016 National School on Market Regulation | San Antonio, TX

**April 20-22, 2016**  
MCM® Program | San Antonio, TX

**August 7-10, 2016**  
2016 Career Development Seminar and Regulatory Skills Workshop | Scottsdale, AZ

**August 10-12, 2016**  
MCM® Program | Scottsdale, AZ



□ *Earthquake Insurance*—continued from page 1

insurance policies. In many states, this coverage is added in with a separate, optional endorsement. In California, a separate policy is required.

- **Earthquake Insurance is not a core, profit-making product for CEA Participating Insurers.** In California, following the Northridge earthquake in 1994, most home insurance companies no longer wanted this risk. Because these companies were required since 1984 to offer an earthquake policy at the time they sell a home insurance policy, most chose to cease writing new home insurance policies during the months following Northridge, so the California Earthquake Authority (CEA) was created to step into this breach. Companies that now offer CEA policies can satisfy their mandatory offer requirements by doing so. Though CEA enables its participating insurance companies to continue selling profitable home insurance policies, and contains their exposure for earthquake damage, earthquake insurance is not profitable for them, generally agents receive minimal encouragement to promote CEA policies.
- **Concerns about cost and value of earthquake insurance.** Perhaps the biggest factor that prevents more Californians from being adequately protected is that too many believe (whether they have actually looked into purchasing a policy or not) that CEA policies are too expensive and that the coverage is too restrictive. Many also have a misunderstanding of the kinds of deductibles that are available, and how they work.

The CEA is a not-for-profit, tax-exempt insurance enterprise, formed by the State of California to make earthquake insurance available to Californians who obtain their residential coverage from one of the CEA's participating insurance companies. Ensuring that the CEA's mission will always be public-focused, its governing board consists of California's

governor, state treasurer, and insurance commissioner. As part of its strategic plan to "Educate, Mitigate and Insure", the CEA is stepping higher on a number of fronts to overcome these barriers.

- **Expanding coverage:** When the CEA was formed nearly 20 years ago, it was required to offer a "mini-policy" that offered bundled, bare-bones homeowners coverage with only \$5,000 for personal property and only \$1,500 for additional living expenses.

While the CEA continues to offer a bundled standard policy with several enhancements, it also now offers a Choice policy with dwelling coverage only, with an option to add personal property with a separate deductible, and an option to also include additional living expenses.

Beginning in January 2016, both policies will offer up to \$200,000 for personal property coverage, and up to \$100,000 for additional living expenses.

Finally, while the original mini-policy offered only a 15 percent deductible, beginning in 2016, CEA will offer deductibles for both policies ranging from 5 to 25 percent.

- **Lowering costs:** The CEA also has lowered rates several times, and will roll out another statewide average rate reduction of 10 percent in 2016. Given the never-ending inflation in reconstruction costs, earthquake insurance would cost more than twice as much as it does today – if not for the CEA's dedication to making this coverage as affordable as possible.
- **Commitment to mitigation:** The CEA is pioneering efforts to motivate more Californians with older houses to make them more resistant to earthquake damage by bracing their cripple walls, and bolting foundations to their houses according current building codes. CEA's new Earthquake Brace & Bolt program also works to help offset retrofitting costs through financial

incentives to qualified homeowners, as well as through a greater premium discount on their CEA policy.

- **Straight-talk message:** CEA's message to California residents is clear – we live in earthquake country, so we must be prepared to survive and recover from California's next damaging earthquake. Scientists agree that another major, damaging earthquake will strike within the next 30 years. This fall, CEA kicked-off a new advertising campaign with a TV spot with the following script:

*"What triggers an earthquake in California is the sudden, explosive release of enormous pressure – similar to the pressure you might feel when faced with paying hundreds of thousands of dollars in damage...yourself. For more information, contact your home insurance company, or go to [EarthquakeAuthority.com](http://EarthquakeAuthority.com) to get the Strength to Rebuild. One of the great things about Facebook and other social media channels is that they are constantly changing."*

The CEA is now entering its third decade of operation. Since its creation, the organization has significantly expanded its financial strength (now over \$12 billion available to pay claims), and has redoubled its focus on offering more affordable, valuable coverage for Californians.



We are constantly reminded that earthquakes happen elsewhere as well – across the country and around the globe. The CEA stands ready and willing to lend its technical advice and experience to any other entity seeking to expand its amount of earthquake insurance protection in place.

Whether someone lives in California – or somewhere else with exposure to damaging earthquakes – we don't need to live in fear of earthquake damage. But we do need to be prepared for the difficult challenges to come.

[www.EarthquakeAuthority.com](http://www.EarthquakeAuthority.com) ■

Glenn Pomeroy is the Chief Executive Officer for the California Earthquake Authority. He served as North Dakota Insurance Commissioner from 1992- 2000, and as NAIC President in 1998.

# ACA Market Conduct Examinations

by Holly Blanchard



When it comes to business practices, Health Insurers know the drills and expectations, and seem to paddle through rough waters unscathed. But two things make Health Insurers instantly shudder and pause: The Affordable Care Act and Market Conduct Examinations. Now couple those together, and even the strongest of Insurers feel an uneasy jolt of terror. Market Conduct Examinations are administratively burdensome for Insurers, but when those Market Conduct Examinations shift to focus on the Affordable Care Act and its thousands of pages of regulations, sub-regulatory guidance, FAQ's, white papers, and academia interpretations, everyone involved becomes a little more unsettled. To ease some of the uncertainty across the board, let's take a look at some of the anticipations for these exams.

During a Market Conduct Examination, there may be two timeframes of considerations encompassing the Immediate Market Reforms and Delayed Market Reforms.

## **IMMEDIATE MARKET REFORMS:**

The Affordable Care Act, also referred to as the Patient Protection and Affordable Care Act, which was passed in 2010 incorporated new requirements for coverage through the Immediate Market reforms. Some of these requirements included:

### **Dependent Coverage up to age 26:**

Effective September 23, 2010, the law established a requirement that a health carrier that makes available dependent coverage of children must make that coverage available for children until attainment of 26 years of age.

### **Prohibiting denying coverage of children based on pre-existing conditions:**

Effective September 23, 2010, the law prevents insurance companies from denying coverage to children under the age of 19 due to a pre-existing condition. Additionally, the law also indicates that no pre-existing condition limitations may be imposed.

### **Eliminating lifetime limits on coverage:**

Effective September 23, 2010, the law prohibits insurance companies from imposing lifetime dollar limits on essential health benefits.

**Restrictions on annual limits:** Effective September 23, 2010, through a tiered process, annual limits are restricted for essential health benefits. In 2014, the use of annual limits on essential health benefits is banned.

### **Appealing Insurance Company decisions:**

Effective September 23, 2010, the law provides enhanced appeal coverage determination grievance steps for consumers as well as establishes an external review process.

**Free Preventive Care:** For health plans beginning on or after September 23, 2010, all new plans must cover certain preventive services such as mammograms and colonoscopies without imposing cost-sharing requirements.

### **Consumer Assistance Programs established:**

States were afforded the opportunity to apply to establish Consumer Assistance Programs which were designed to help consumers file complaints and appeals, enroll in health coverage, and obtain information about the coverage rights and responsibilities for individual and

group health plans. A list of states participating in the Consumer Assistance

programs can be found at: <https://www.cms.gov/CCIIO/Resources/Consumer-AssistanceGrants/#statelisting>

Regulators may review company information to ensure that the immediate market reforms were incorporated according to the law, and that limitations and restrictions were imposed appropriately.

### **DELAYED MARKET REFORMS:**

In addition to the requirements outlined in the immediate market reforms, the Affordable Care Act also contained many consumer protection provisions that went into effect in 2014. While performing an ACA Market Conduct exam, the extension of benefits and services that can be expected to be reviewed include:

### **Guaranteed availability of coverage:**

Effective January 1, 2014, a health carrier offering health insurance coverage in the individual and small group market in a state must offer to any individual or employer in the applicable state all products approved for sale in the applicable market, and must accept any eligible individual or small group employer applying for any of those products.

### **Guaranteed renewability of coverage:**

Effective January 1, 2014, a health carrier offering health insurance coverage in the individual and small group market in a state is required to renew or continue in force the coverage at the option of the individual or small employer, as appli-

□ continued on page 4

□ *ACA Market Conduct* – continued from page 3

cable.

**Prohibiting discrimination due to pre-existing conditions or gender:**

Effective January 1, 2014, reforms are implemented that prohibit insurance companies from refusing to sell coverage or renew policies because of an individual's pre-existing conditions. Additionally, in the individual and small group market, the law eliminates the ability of insurance companies to charge higher rates due to gender or health status. Additionally, the law also indicates that no pre-existing condition limitations may be imposed.

**Elimination of Annual Limits:** Effective January 1, 2014, the law prohibits new plans and existing group plans from imposing annual dollar limits on the amount of coverage an individual may receive.

**Inclusion of Essential Health Benefits:**

Effective January 1, 2014, the law requires that all new plans incorporate essential health benefits which must include items and services within at least the following 10 categories: ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services, including oral and vision care. These benefits must be substantially equal to the benefits provided in that state's EHB Benchmark plan.

**Coverage for individuals participating in clinical trials:**

Effective January 1, 2014, insurers will be prohibited from dropping or limiting coverage because an individual chooses to participate in an approved clinical trial that treats cancer or other life-threatening diseases. When an insured participates in an approved clinical trial, issuers cannot deny or limit the coverage of routine patient costs for

## New IRES Website Launched!

In August IRES gave its website a fresh new look and enhanced its functionality. If you have not had a chance to check it out, please take a moment to take it for a test drive!

As you move around the new website you will notice that the navigation menus and site content has been streamlined to make it easier for you to find the information you are looking for. The site is also now easier to read on mobile devices. We've improved the process for reporting continuing education credit, enhanced the online member directory, added a more comprehensive IRES event calendar, and added the ability for you to track IRES news, events and job postings RSS feeds.

We've also enhanced your ability to manage your data, with improved access to your user account, increased control of your own information, a customizable username and password, the ability to update your contact information in real

time, set your contact preferences, view your membership status and renewal date, review your event registrations, and so much more.

To help you become familiar with the new layout and features, we posted a simple checklist on the Web site that walks you through setting up your account, updating your profile, and customize your membership directory listing.

Once you have set up your account on the new Web site, log in every time you visit IRES so that you always have full access to our Society's website content and features based on your member status. You can set your browser to memorize your login credentials to make it easier. Visit often!

If you have any questions or concerns, please don't hesitate to contact the IRES office at [info@go-ires.org](mailto:info@go-ires.org) or 651-917-6250. ■

items and services provided in connection with the trial.

Additionally, in 2014 Health Insurance Marketplaces, or Exchanges, opened for business. Through these Marketplaces, individuals and small businesses are allowed to shop and compare prices and benefits for various plans, apply for coverage and receive subsidies for premiums if the individual meets the qualifications. Regulators may be looking at the plans that the issuers are offering on the exchanges to ensure that those plans meet the requirements, and are the plans that are filed and approved. They may also be checking the links and information available on the issuer's website to ensure that the appropriate information is accessible. For example, the websites should include access to the list of Network Providers as well as formulary drugs. Information about the

plan and policy benefits should also be readily available.

**Beginning Market Conduct exams:**

Now that the Affordable Care Act has been in effect for several years, the ACA Market Conduct exams are beginning across the country in various stages. Some states are in the planning stages, while some states and federal regulators have moved into the active stage where exams have been called and data is being requested and reviewed. Recognizing the need for uniform guidance based on these exams, the NAIC Market Conduct Examination Standards working group (D Committee) set out to develop standardized guidance for reviews of ACA related plans. The result was Chapter 20a in the Market Regulation Handbook. Chapter 20a, entitled "Conducting the Affordable Care Act

□ continued on page 5

□ *ACA Market Conduct*— continued from page 4

(ACA) related examination”, is an extensive manual discussing the background of the requirements, the statutory citation, and the recommended steps for performing the examination. Chapter 20a, coupled with the remaining appropriate chapters in the Market Regulation Handbook will surely guide most, if not all ACA related Market Conduct examinations.

#### **Other Considerations:**

It is safe to say that regulators and company personnel alike will be taking the immediate market reforms, the delayed market reforms, and the requirements outlined in Chapter 20a of the Market Regulation Handbook into consideration while preparing for the upcoming examinations, but what else may be a consideration for these exams? First, regulators will probably be looking closer at diagnosis and procedure codes to ensure that benefit considerations for specific treatments are being paid according to the requirements of the law. For example, for preventive services, they will be ensuring that the service is coded as preventive versus diagnostic and that cost-sharing is not imposed inappropriately. Regulators will also be looking for discriminatory benefit designs that limit or impose unnecessary barrier to

coverage to particular individuals. One example of this would be coding all drugs for treatment for HIV/AIDS in the highest formulary tier possible, making the cost of the prescription absorbent, and therefore dissuading certain individuals from taking out coverage.

Another area of consideration is the need for coordination across the states and with the federal regulators. Companies are concerned that without a coordinated effort, each individual state will decide to perform an ACA related Market Conduct examination on their own respective market places for each issuer, thus increasing the administrative cost to each company and potentially necessitating rate increases. There is also an underlying concern that the overlap that may occur between the state and federal regulators is addressed early and coordinated efforts are identified and addressed. The concern of enhanced coordinated efforts has perpetuated awareness and the necessary discussions as the states and feds prepare to move forward with the ACA Market Conduct Examinations.

As a whole, the face of a Market Conduct examination will not change. Regulators will still continue to look at the data that they have historically

reviewed, data calls and sampling will still occur, however the ACA just adds an additional level of review into an already established process.

It can and should be expected that the process will be fluid as there is still a lot to learn and understand about the Affordable Care Act. There will continue to be best practices and lessons learned, but the one thing that will remain constant is the insurance industry will continue to develop the best products for the marketplace to ensure that our consumers have options and access to affordable health care, and regulators will continue to monitor those products to ensure consumer protection. Because, in the end we are all striving toward a common goal: health and well-being for everyone. ■

Formally with the Nebraska Department of Insurance, Holly Blanchard is a Director with Examination Resources based in Atlanta, GA. She spends her days assisting on various projects for state regulators and honing her knowledge of the Affordable Care Act. She resides in Nebraska with her husband, children and a very ill behaved Miniature Schnauzer.

# Guidance From the Courts in Evaluating LTCI Rate Increases

by Joshua Akbar, Partner at Dentons

Rate increases on existing blocks of long-term care insurance (“LTCI”) continue to be a difficult issue for state insurance regulators and insurance companies alike. Among the challenges is that the actuarial justification for these increases under the traditional loss-ratio standard has increasingly become a foregone conclusion, due in large part to the industry-wide “perfect storm” caused by actual experience on pricing assumptions such as lapse and morbidity deviating materially from how the policies were originally priced.<sup>1</sup> As a result, some regulators are now placing less emphasis on the actuarial justification for the requested increase under the loss-ratio test, and instead focusing more holistically on what is a reasonable and affordable increased premium. In so doing, one of the questions frequently being posed by regulators in the rate review process is what policyholders knew about the possibility of rate increases. On this question, recent court decisions can provide guidance to regulators evaluating LTCI rate increase filings. Thematically, the courts have reiterated that where an insurance company discloses its contractual right to increase premiums, policyholders cannot claim to have been misled about the possibility, frequency or magnitude of future rate increases when no limitations were made on that right to increase premiums.

Most recently, in August 2015, the United States District Court for the



Northern District of Illinois addressed fraud and related claims brought by a plaintiff whose premiums increased one time by 76.50%<sup>2</sup>. The plaintiff principally argued the insurer made fraudulent statements and omissions in the Long Term Care Insurance Personal Worksheet that she was required to fill out at the time of sale. That Worksheet, which the NAIC added to the Model Long-Term Care Regulation in 1995 to be used in making suitability determinations, has been broadly adopted throughout the industry, and is often required under state law.

Specifically, the plaintiff argued that by asking in the Worksheet “Have you considered whether you could afford to keep this policy if the premiums were raised, for example, by 20%,” and by telling applicants that rates had not previously been raised on this policy form and had only been increased by 15% on a similar policy form, the insurance company created certain “inferences” about the possibility and magnitude of future rate increases. In other words, while the Worksheet said that the insurance company “had a right to raise premiums,” the plaintiff argued that “other portions of the same worksheet led her to believe that any price increase would be in the area of 20%.” The plaintiff also claimed that, at the time of sale, the insurance company “knew that future premium increases would occur and would far exceed 20%” because it intentionally used unreasonable lapse rate assumptions to generate artificially low and unsustainable prices.

The plaintiff similarly argued that policy language stating that premiums “may” change was misleading and a false statement in light of the alleged plan from the outset to implement significant rate increases. In essence, the plaintiff asserted a bait-and-switch or low-ball pricing theory.

Looking at the disclosures actually made in the Worksheet, the court rejected the plaintiff’s argument that “by mentioning any figure at all, defendant committed itself to premium increases in that ballpark alone.” The court held simply that the Worksheet “was explicit” that the insurance company “has a right to increase premiums in the future,” which disclosure was made “without any qualification” as to the amount of such increase. The court further held that while “the complaint certainly alleges that defendant knew it would raise premiums significantly more than 20%,” “the hypothetical question [in the Worksheet] cannot be read as a limit on its discretion or as a promise of any kind.” Therefore, in light of the regulatory backdrop in which “the hypothetical of a potential 20% increase in premiums is taken directly from an Illinois Department of Insurance regulation mandating the content of the worksheet,” the court concluded that “it would not be reasonable to infer that defendant was falsely promising to never raise premiums beyond 20%,” and the increase to the plaintiff’s premiums here “will not be said to be deceptive when the plaintiff is explicitly alerted to the complained of result.” Again, the court reached this result despite the plaintiff’s allegation that the insurance company “knew” at the time of sale that future premium increases in excess of 20% “would occur.”

The plaintiff also argued that because of

<sup>1</sup> Dawn Helwig, *The Cost of Waiting*, CONTINGENCIES (AMERICAN ACADEMY OF ACTUARIES (Nov.-Dec. 2014, at 22), <http://www.contingenciesonline.com/contingenciesonline/20141112#pg22>.

<sup>2</sup> Toulon v. Continental Cas. Co., No. 15 CV 138, 2015 WL 4932255 (N.D. Ill. Aug. 18, 2015), <http://www.leagle.com/decision/In%20FDco%2020150819869/Toulon%20v.%20Continental%20Casualty%20Company>.

□ Evaluating LTCI Rate Increases – continued from page 6

her elderly status and inexperience with insurance, the insurance company had an affirmative duty to disclose its plans regarding the magnitude of an intended rate increase and the underlying actuarial reason(s) for that increase. However, the court refused to create such a disclosure obligation, because to do so would be an end-run around the longstanding principle that an insurance company is not a “fiduciary” with an affirmative disclosure obligation.

This case remains ongoing as of November 2015, as the court allowed the plaintiff to amend her complaint after issuing the decision discussed above, and the insurance company has now sought to dismiss that amended complaint on the same grounds. This will be a case to watch.

There are two other noteworthy cases which have evaluated the disclosures made to LTCI policyholders about the possibility of future rate increases.

In March 2008, the United States Court of Appeals for the Third Circuit affirmed an order dismissing a putative class action in which the plaintiff alleged that the insurer had fraudulently underpriced LTCI policies at the outset with a secret plan to later increase rates<sup>3</sup>. The plaintiff alleged that the insurer’s representations in the policy that it was “guaranteed renewable” and that premiums “may” change were false and misleading.

Relying on the disclosures made to the plaintiff in the policy, the Third Circuit found dispositive that “the policy explicitly reserved the right to raise premiums at any time after payment of the first premium,” and that “no representation was made that the right to raise premiums would not be exercised or that there was no plan to do so in the future.” In other words, “[e]ven if INA knew that premiums would increase, the policy explicitly authorized such an

*increase* and Alvarez cannot seriously claim to have been misled into believing that that would never happen.”

The Third Circuit also rejected the argument that the LTCI policy’s “guaranteed renewable” provision somehow implied that premiums would always be affordable. That provision guarantees the insured’s right to renew his policy upon timely payment of premiums while giving the insurance company the parallel right to raise premiums on a class basis, and is typically based on state insurance regulations that draw upon the NAIC’s definition of “guaranteed renewable” in the Long-Term Care Insurance Model Regulation<sup>4</sup>. The Court held that the “guaranteed renewable” provision only “*guaranteed the right to renew the policy*,” not the financial ability to renew the policy, and did not imply that premiums would never increase, or that they would only increase by a limited, affordable amount.”

In a similar case in 2009, the United States Court of Appeals for the Eighth Circuit affirmed a trial court ruling granting judgment to the LTCI insurer in light of “numerous disclosures of its right to raise premiums.”<sup>5</sup> Those disclosures included, principally, the fact that “Life Investors disclosed its right to change premium rates on the first page of its policies, in boldface, capital letters,” as well as in communications accompanying the initial rate increase years later which informed policyholders that future increases were “possible,” and in some cases “probable.” Construing the “guaranteed renewable” provision, the court held that “[t]he plaintiffs were not guaranteed a level premium for life; they were guaranteed the right to renew their LTCI policies.”

The Court also rejected the plaintiffs’ contention that “Life Investors had a duty to disclose that its lapse rate assumptions were wrong and that rate increases were thus inevitable,” holding

that “they have cited no law that requires an insurance company to disclose its actuarial assumptions to its policyholders.”

## CONCLUSION

As these cases show, it can be useful in examining LTCI rate increase filings to be guided by recent court decisions which address some of the very same questions being posed by regulators during the rate review process. Of course, regulators can and should ask insurers to provide applicable policy language and other disclosures to see what was communicated to policyholders regarding the possibility of rate increases. That said, where the policyholder has received clear disclosure of the insurance company’s contractual right to increase premiums, and especially where other communications explicitly put policyholders on notice of the possibility and likelihood of future increases, it would be inconsistent with the rationale of court decisions such as those mentioned above to limit requested rate increases based on an assumption that policyholders somehow did not anticipate the possibility, frequency or magnitude of future rate increases, or that they misapprehended the potential reasons why a rate increase might occur. Where courts have addressed questions of reasonable and affordable increased LTCI premiums, they have reaffirmed that LTCI insurers have a right to raise premiums on a class basis, and that LTCI policies are only “guaranteed renewable, not guaranteed affordable.” ■

Joshua Akbar is a partner in Dentons’ Litigation and Dispute Resolution practice, and is a leader in Dentons’ national long-term care insurance practice. Mr. Akbar has successfully counseled and defended numerous LTCI insurers on a wide variety of issues in diverse forums throughout the country, including policy interpretation and coverage litigation, legal and administrative challenges to the ratemaking process and the implementation of premium rate increases, and consumer and regulatory inquiries. Mr. Akbar was a key member of the team responsible for the result in the Rakes case discussed in this article.

<sup>4</sup> NAIC LONG-TERM CARE INS. MODEL REG., NAIC 641-6 § 6(A)(2).

<sup>3</sup> ALVAREZ V. INS. CO. OF N. AM., NO. 07-1102, 2008 WL 647784 (3d Cir. Mar. 11, 2008).

<sup>5</sup> Rakes v. Life Investors Ins. Co. of Am., 582 F.3d 886, 894 (8th Cir. 2009).

# Getting to know your Executive Committee

*This issue: President Elect, Tom McIntyre, CIE, AMCM, CICS*

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

**A**s we enter the new IRES year we wanted to highlight one of our Executive Committee members so that you might get to know them a little better. In this issue of *The Regulator* we want to introduce to you the new IRES President-Elect, Tom McIntyre. Below is an interview style Q&A with Mr. McIntyre.



President-Elect  
Tom McIntyre

Chair of the Curriculum Subcommittee. I served on the AMCM Committee for two years. I have been the Chair of the Budget and Finance Committee for the past three years and am currently the Chair of the MCM/AMCM Committee.

**Q. Which IRES CDS has been your favorite and why?**

The Charleston CDS was my favorite. At first glance the facilities appeared too small and congested, but the IRES desk area and rooms were close, convenient, and provided an area where it was easy to meet and see all of those in attendance. This allowed for easy access to rooms for educating the membership, and the ability to conveniently meet and greet members for building lasting relationships. In addition, learning the history setting of Charleston was very enjoyable and the restaurants were excellent.

**Q. Is there one session at a CDS that stands out in your mind and why?**

When credit scoring was first being considered by insurers there was a session with Birney Birnbaum and Dave Snyder and the exchanges during that session were not only very funny, but very educational and informative.

**Q. What is one goal you want to accomplish once you become the IRES President?**

Growth of Membership, and I will push at every opportunity to accomplish Accreditation of Market Conduct examinations during my time as President. It is probably unrealistic, but this should have been accomplished fifteen years ago.

**Q. When you aren't working or helping make IRES the best organization on earth what are your hobbies?**

Spending time with my family, landscaping, and enjoying sporting events, including watching grandchildren play football, basketball and swimming.

**Q. So I understand that you played Division 1 College Basketball. Where did you play? And what is your favorite moment in your basketball career?**

I played for the Central Michigan University Chippewas. I hit a last second shot against Western Michigan University, at Western (Kalamazoo) and we won by one point.

**Q. How did you meet your wife and how did you ask her to marry you?**

I met my wife on a three day cruise and that was long enough for me to determine I needed to know more. She is my best friend and brutally honest! I was very nervous when I asked her to become the one and only Mrs. McIntyre. I asked her at the Grand Hotel on Mackinac Island in Michigan.

**Q. What is your biggest bucket list item?**

Parachute out of a plane, ride on the longest and highest zip-line, and vacation in Jerusalem, Rome and New Zealand. ■

**Q. Who do you work for? What is your job title? And in a very short description what are your daily duties?**

I am employed by Dixon Hughes Goodman LLP, which is a large CPA firm. My job title is: Senior Manager of Regulatory Compliance.

My position involves acting as an Examiner-in-Charge, supervising examinations, and administrative duties, which includes preparing budgets and responding to RFPs for both financial and market conduct examinations.

**Q. How long have you been an IRES Member and what made you decide to join the Board/Executive Committee?**

I have been a member since July, 2000, approximately 15 years. I joined the Board after serving on other Committees and felt I could be an asset as the Treasurer of the organization. Several Past-Presidents were instrumental in assisting and encouraging me to join.

**Q3: What committees have you served on and what roles did you hold?**

I served on the Accreditation and Ethics Committee for about 10 years and was the



Parker Stevens, IRES Past President  
[parkerstevens@examresources.net](mailto:parkerstevens@examresources.net)

# IRES Member of the Month

by Tracy Miller Biehn

IRES would like to introduce the November IRES Member of the Month, William Sullivan. Mr. Sullivan is fairly new to IRES, and has already volunteered, and served, on committees and even presented at an IRES CDS. William will no doubt be another shining start for future. Below is an interview style Q&A with Mr. Sullivan.



IRES Member  
William Sullivan

**Q. Who do you work for? What is your job title? And in a very short description what are your daily duties?**

I work for Examination Resources, LLC as an Assistant Examiner-in-Charge, where I help governmental agencies review health insurance plans for compliance with the Affordable Care Act and a number of other laws before entering the market. Essentially, I help manage a team of examiners that review the health insurance plans and then I perform a deeper dive of review, which generates a formalized memorandum for the government's team to review and discuss with the carriers. As part of this, I am usually on the phone with team members interpreting guidance and discussing its application with the health plans, and this is sometimes "real time" training with examiners.

**Q. How long have you been an IRES Member and what made you decide to join?**

I have been a member with IRES for two years and I joined at the urging of then-President Parker Stevens, which was a great decision.

**Q. What committees have you served on and what roles did you hold?**

I served on the Publications and Public Relations Committee as a member and stepped down as my wife and I prepared to

have our first child. I hope to rejoin in the near future and see what I can do to help with *The Regulator*, which is great industry publication.

**Q. How many IRES CDS events have you attended?**

I have only attended one CDS, in St. Louis, which was an awesome experience. Scottsdale, AZ has always been on my bucket list, so that just may be the next one!

**Q. Is there one session at a CDS that stands out in your mind and why?**

At the St. Louis CDS in 2014, I had the privilege to act as moderator for a session entitled "The Changing Landscape of the ACA." The panelists included my wonderful leader and former IRES President Holly Blanchard, another former IRES President with Leslie Krier and Pieter Williams (AVP and Senior Regulatory Counsel at Unum). The panelists were incredible and the discussion was one of the hot topics for the year.

**Q. What is a personal or career goal that you would like to accomplish in the next 5 years?**

Currently, I am working on my CIE. Further down the road, in addition to garnering a spot in senior leadership in the industry, I would love to join a law school as an adjunct professor. My passion is healthcare and insurance, and I would love to pass that along to students as they enter the professional arena. Mentors are great for mentees, but as my father always says: "Sometimes mentors needs mentees more than the other way around. Wisdom is a two-way street."

**Q. When you aren't working what are your hobbies?**

I'd like to say working out and running are my hobbies, and that would sound hip and cool, but doing a sprint workout doesn't always exude "fun" as I get older. So, with a totally different angle, I recently generated a laundry list of the classics (books and movies) that I haven't read or watched yet. I finished a slew of John Wayne movies and I wish the movies these days had more substance, and I am in the middle of Harper Lee's "Go Set a Watchman," which is an interesting read.

**Q. So I understand that you played Division 1 College Lacrosse. What school did you play for? And what is your favorite moment in your lacrosse career?**

I had the great blessing and honor to play for the University of Notre Dame's Men's Lacrosse Team. My favorite moment in my lacrosse career was when I entered my junior year. I was in the best shape of my life and competing well for a new spot on the team, and then I had two subsequent injuries in two weeks that ended my career: a shredded right knee (after an already torn MCL in my left) and a shot to the head where I lost the rest of my hearing in my right ear. The team doctors said the career was over and I was pretty devastated. The same day I bumped into my coach to say I had to step down from the team and he asked me to consider staying on as an assistant coach. My entire team asked me to be a new type of leader as a coach and it was incredible. It's unheard of for a current student to become a coach in college athletics and my head coach as well as ND gave me that unforgettable opportunity.

**Q. How did you meet your wife and how did you ask her to marry you?**

Well, as all good Irishmen, I met my wife on St. Paddy's Day in 2012 at the local family bar/restaurant. We had some of the same friends and I knew of her through her older brother (another friend of mine), so I

□ continued on page 10

□ IRES Member of the Month – continued from page 9

walked over and introduced myself. After some chit-chat, I threw out a line from *The Brothers Karamazov* (her favorite book) and she fell in love with me... And three months later I asked her to pray with me in my law school chapel and in that sacred space I asked for her hand in the most sacred adventure of all: marriage. Then, we went back to where we first met and had another

celebratory Guinness surrounded by friends.

### Q. What is your biggest personal or professional accomplishment?

I would say our newest addition to the family (our 8 month old baby girl): Róisín Margaret Sullivan (“Little Rose” in Irish). But, then I would be remiss of the

truly biggest accomplishment, which was waiting for and having the wonderful blessing to be married to the love my life, Tara. Without her, I would not have such a wonderful daughter and God-willing some more in the years to come. ■

## Changing with the Times

### A Letter from the President

by Tanya Sherman, AMCM

It's hard to believe that three months have quickly come and gone. Before you know it the holidays will be here! Already this year, the IRES committees have been hard at work. If you haven't yet had an opportunity to check out the new IRES website showcased by IRES' Immediate Past President, Parker Stevens at the recent CDS, we certainly encourage you to do so. The new site is mobile friendly and has been streamlined for easier navigation. The website also offers new functionality so updating your continuing education credits and modifying your profile are now much easier to do.

The CDS Committee chaired by Sam

Binnun and Vice Chaired by LeAnn Crow is coming together nicely. This year's CDS will welcome back the track on life and annuities. The tracks have been modeled to cover the areas of a market regulation examinations, with a twist to include hot topics for each area. This slightly modified formula will allow us to keep like topics on a track of their own so hypothetically if you are a consumer complaint handler, you will be able to go from the property/casualty consumer complaints session to the life and annuities complaints session to the health complaints session, etc. If you haven't checked out the location for the CDS, you really should! This year we are staying at the JW Marriott Camelback

Inn in Scottsdale, AZ, August 7-10, 2016. The negotiated rates for the conference are very affordable so make sure to save the date!



The IRES Membership and Benefits chaired by Martha Long, vice chaired by Holly Blanchard and the Education committee chaired by Randy Helder are also hard at work, looking at new ways to increase benefits for our membership, new courses that will help enhance IT skills, webinars and a possible campaign to recruit student membership.

The Accreditation and Ethics committee chaired by Tracy Biehn and vice chaired by Angela Hatchell is busy re-evaluating our courses to see if there are new/improved courses to add, as well as reviewing health courses for a possible health only designation.

There was another successful MCM course recently completed in Atlanta, GA with twenty-nine new designees. Congratulations, new MCM's! We have a number of MCM courses slated for next year but are still looking for another possible site. If you have a possible site location, please reach out to the MCM/ACMC chair, Tom McIntyre, or notify the IRES office. In addition, there is a new chapter on Cybersecurity being drafted to add to the MCM course.



□ continued on page 11

□ *Changing with the Times* – continued from page 10

Finally, the IRES Executive Committee and Board Members are paying close attention to changes at the NAIC and specifically the proposed Market Regulation Accreditation proposal. We have been offering our suggestions and feedback compiled at the Think Tank session at the recent CDS in Charleston. The first round of the initiative is the Tier 1 phase of Market Regulation Accreditation Process and appears to be close to completion. We will continue to monitor the proposal's progress.

As you can see, we are well on our way with a number of timely initiative and these are only a few of the listing of objective/goals for the year. As always, our membership needs great volunteers like you. If you have any ideas on how we can bring value to your membership, any ideas on possible training opportunities, please feel free to give me a call or e-mail me at [tsherman@risdelaware.com](mailto:tsherman@risdelaware.com).

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.

## 8 Reasons Why You Should Renew Your IRES Membership

It is that time of the year again and the annual IRES general membership drive is getting under way. The Membership & Benefits Committee would like to take this opportunity to remind you of the benefits of being an IRES member.

1. Professional recognition through the attainment of the Accredited Insurance Examiner (AIE®), Certified Insurance Examiner (CIE®), Market Conduct Management (MCM®), Advanced Market Conduct Management (AMCM), and Certified Insurance Consumer Service Representative (CICSR®) designations.
2. Networking opportunities with other insurance regulators and individuals working in the compliance in the industry through a variety of IRES activities. IRES has more than 1,000 regulator and industry members across the country working in all areas of regulation and compliance.
3. Leadership opportunities on both national and local levels by volunteering to work on committee and/or holding an office.
4. Subscription to *The Regulator*®, IRES' official publication that includes articles of interest to insurance regulators on issues ranging from market conduct, financial solvency, consumer services, form and rate filings to market analysis, just to name a few.
5. Discounts for General Members on education courses and/or products offered by The Institutes (AICPCU/IIA), Insurance Data Management Association (IDMA), America's Health Insurance Plans (AHIP), and LOMA. Whether you're testing because you are working toward your AIE or CIE, earning one of the many designations offered by these organizations, or just learning new things to earn continuing education credits, you may be able to take advantage of these discounts.
6. No cost educational and training opportunities via webinars to help keep you on top of current issues, hone your skills, expand your knowledge, or help you prepare for an upcoming examination as you work toward a designation.
7. Cost savings through reduced registration fees for the IRES Annual Career Development Seminar, IRES Market Conduct Management (MCM®) program, and the IRES Foundation National School on Market Regulation.
8. Access to members-only content throughout the IRES website, including an online member directory and job boards with posting of a variety of insurance industry and regulatory positions located throughout the country.

Renewing your membership has never been easier. Start the process by going to the IRES website, logging into your account and clicking on My Account and then Renew button in the My Membership area of the My Account Dashboard. If you have not set up your user account on the new website, you will need to allow a little extra time to complete that set up process before you can renew online.

Don't risk missing out on any of the benefits IRES has to offer. Renew today!

□ continued on page 11

# Market Regulation and Consumer Affairs (D) Committee

by Tim Mullen

I hope everyone enjoyed the World Series, is deep into college and professional football, easing into the professional basketball and hockey seasons, and is looking forward to the upcoming professional soccer finals. If state insurance regulation was a professional sporting event, we would be entering the 7th inning, the fourth quarter, the third period, or the 70th minute of a soccer match. Similar to a sports team, the Market Regulation and Consumer Affairs (D) Committee has many position players and specialists addressing issues through various NAIC Working Groups. I hope this short summary provides everyone with a good sense of where projects are and how these projects will proceed through 2015.

## Market Regulation Accreditation

Market regulation accreditation continues to be a top priority of the D Committee and the Market Regulation Accreditation (D) Working Group has made tremendous progress in 2015. As stated at the beginning of 2015, the goals of the Working Group remain the same: improve the effectiveness and efficiency of state insurance market regulatory activities; improve interstate collaboration and coordination; and enhance the qualifications and competencies of market regulation professionals.

The Working Group is focusing on “First Tier” requirements of Market Conduct Accreditation. These requirements include standards addressing state authority to conduct market regulation activities, staffing levels for conducting market analysis and market conduct examinations; staff qualifications; interstate collaboration; collection of Market Conduct Annual Statement data; data reporting to the NAIC’s Market Information Systems; and participation in national analysis projects.

The concepts set forth in the “First Tier” requirements are not new concepts and should be considered the foundation upon which market regulation accreditation will be built. The goal of the “First Tier” requirements is to engage states to think about their current functions and explore where improvements may be made to enhance consumer protection and eliminate unnecessary duplication of efforts with other states. A common underlying theme is that states must remain diligent in protecting consumers within their own jurisdiction while also working to collaborate with other states. The “First Tier” requirements strive to strike this balance.

## Market Analysis

With the adoption of the health data call in December of 2015, the states of Arizona and Delaware continue to review data received during the pilot data call. The feedback from the states and companies reporting health data will be critical information the Market Analysis Procedures (D) Working Group will consider as it creates the health Market Conduct Annual Statement reporting blank and definitions. For example, the feedback will help the Working Group determine what information is not helpful or difficult to report and what additional data might be useful.

Another important initiative of this Working Group is the discussion of merging the Market Analysis Review System (MARS) Level 1 and Level 2 processes. The goal of these discussions is to eliminate redundancy in states’ analysis efforts and provide greater flexibility for states in completing their analysis. The Working Group is now moving forward with a Uniform System Enhancement Request (USER) Form for preliminary IT analysis to be completed and reviewed by the Market Information

Systems Research and Development (D) Working Group.

Finally, the Working Group is exploring whether states should be required to complete a minimum number of MARS Level 1 reviews. To begin this discussion, the Working Group is reviewing available data to determine ways of calculating a reasonable number of Level 1 reviews for states. For example, a minimum number of reviews will likely be based upon the percentage of domiciled companies writing business in a state added to a percentage of non-domiciled companies writing business in a state. Again, the Working Group will first need to determine what might be an appropriate way to determine the minimum number of reviews a state should be expected to complete and whether an expected requirement of a minimum number of reviews should be included in any market regulation accreditation proposal.

Finally, a behind-the-scenes activity is the regulator-only National Analysis Project, which continues to be refined and become a useful process for state insurance regulation. Through this project, state regulators conduct analysis with a national scope of the individual companies and insurance groups writing accident and health insurance, private passenger auto insurance, homeowners insurance, life insurance and annuity contracts. This analysis has been completed for this year and is being presented to the Market Actions (D) Working Group for review and discussion this month.

## Privacy Disclosures

The Privacy Disclosures (D) Working Group continues to review the NAIC’s Privacy of Consumer Financial and Health Information Regulation, to

□ continued on page 13

determine if any changes should be made to the NAIC Model Regulation to be more consistent with the amendments the Consumer Financial Protection Bureau made to Regulation P, which allow financial institutions, such as banks and security firms, to stop mailing annual notices if they post the annual notices on their Web sites. In addition, the Working Group is reviewing the sample privacy notices of the NAIC Model Regulation to determine if any changes should be made to these notices to be more consistent with Privacy Model Notice Form promulgated by federal regulatory agencies for use by financial institutions, such as banks and security firms. These financial institutions are allowed to use the Privacy Model Notice Form as a safe harbor of compliance with the privacy notification requirements of the Gramm-Leach-Bliley Act.

### **Market Conduct Examination Standards**

The Market Conduct Examination Standards (D) Working Group continues to focus on developing examination standards related to the ACA mandates and is specifically addressing examination standards related to prohibition on pre-existing condition exclusions for all individuals, which is a health reform that became effective Jan. 1, 2014. In addition, the Working Group is developing examination standards related to the nondiscrimination provisions of the ACA, which prohibits discrimination on the basis of race, color, national origin, sex, age or disability by any health program or recipient of federal financial assistance, such as hospitals, clinics, employers or insurance companies. The Working Group is also conducting a survey of state insurance department market conduct chief examiners regarding making updates and improvements to the standardized data calls, which are part of the NAIC Market Regulation Handbook.

### **Joint Projects with the Property and Casualty (C) Committee**

The Market Regulation and Consumer Affairs (D) Committee continues to partner with the Property and Casualty (C) Committee through the Auto Study (C/D) Working Group. This Working Group will hold/held a public hearing at the NAIC Fall National Meeting on recent developments related to the pricing of auto insurance. The Working Group will discuss/discussed what rating variables are being used by auto insurers, the effect of the rating variables on consumers, whether outcomes vary by a consumers' socio-economic status, and whether there are rating variables that should be prohibited. In addition, the Working Group is coordinating the review of price optimization with the Casualty Actuarial and Statistical (C) Task Force. The Task Force is drafting a Price Optimization White Paper to provide background research on price optimization, identify potential benefits and drawbacks to the use of price optimization, and present options for state regulatory responses regarding the use of price optimization in ratemaking.

### **Task Forces of the Market Regulation and Consumer Affairs (D) Committee**

The **Antifraud (D) Task Force** is discussing the potential creation of an electronic clearinghouse where companies can submit their fraud prevention plans to the states utilizing a centralized portal at the NAIC. The first step in this process was the circulation of a survey to the state fraud directors to gather details regarding the different state requirements for a company to file fraud prevention plans. In addition, the Task Force is discussing potential enhancement to the NAIC's Online Fraud Reporting Systems (OFRS), which is a system through which insurance companies and consumers can report suspected fraud to state insurance departments. Finally, the Task Force is monitoring the progress of cybersecurity initiatives at the NAIC as many of the cybersecurity concerns involve fraudulent activity.

The **Market Information Systems (D) Task Force** continues to provide business expertise regarding the desired functionality of the NAIC Market Information Systems and the prioritization of regulatory requests for the development and enhancements to the NAIC Market Information Systems. A recent development completed in conjunction with the Producer Licensing (EX) Task Force, is the addition of a new "FINRA" origin code to the Regulatory Information Retrieval System (RIRS). This code is being added to allow states to enter FINRA actions into RIRS and to discontinue the use of the Special Activities Database (SAD). Moving forward, the Task Force recommended a seven year retention period for existing SAD data and to eliminate the entry of investigations and suspected fraud into SAD because of confidentiality concerns and the states' use of other methods for sharing confidential information on investigations and suspected fraud. The Task Force is also spending time on the Market Actions Tracking System (MATS) application, which has the primary objective of merging the tracking of examinations and other continuum actions into one system and replacing the Market Initiatives Tracking System. The goal of the Task Force is to have the MATS application released to production by the end of 2015.

For anyone wanting additional information about the activities of the Market Regulation and Consumer Affairs (D) Committee, its Task Forces, and Working Groups, please visit the following Web link on the NAIC Website:

[http://www.naic.org/committees\\_d.htm](http://www.naic.org/committees_d.htm).

# Regulators--Now's Your Chance, and it takes just minutes!

*The Insurance Regulatory Examiners Society (IRES) and the IRES Foundation are sponsoring the 5th Annual Al Gross/Jim Long Rookie of the Year Scholarship for calendar year 2016.*

**Want to know how easy it is to nominate a deserving regulatory agency employee for this scholarship?**

Take your suggestion to your state's Insurance Commissioner, Director, or Superintendent. With her or his agreement to write a letter of recommendation, you're halfway done. Once you have received the letter of recommendation, ask your nominee to complete the online scholarship application at <https://www.go-ires.org/scholarship/al-gross-jim-long/application>.

A copy of the letter of recommendation needs to be uploaded to the online application before it is submitted. The original letter is to be sent to: Insurance Regulatory Examiners Society, 1821 University Ave W, Suite S256, St. Paul, MN 55104.

**Really, that's it. All you have to do is select a nominee, and the actual process is completed by your Commissioner, Director, or Superintendent and your nominee.**

The scholarship will be awarded to four (4) State Regulators (one in each zone) who have demonstrated exceptional promise, professionalism, and a commitment to continual improvement. Recipients will be reimbursed up to \$1000.00 in travel related expenses as well as waived registration fees at one of the following programs:

- IRES Foundation National School on

Market Regulation: April 17-19, 2016 in San Antonio Texas;

- IRES and IRES Foundation Joint Market Regulation Forum: IRES Career Development Seminar: August 7-10, 2016 in Scottsdale, Arizona; or
- MCM (Market Conduct Management) Designation Program.

### Candidates for the Al Gross/Jim Long Rookie of the Year Scholarship must:

- Be current state insurance department employees with less than two (2) years of service as of January 1, 2016.
- Demonstrate exceptional promise and professionalism in representing their states as regulators.
- Seek to develop skills through completion of training programs provided by recognized insurance industry institutional programs, including, but not limited to, those provided by The Institutes (formerly AICPCU), The American College, LOMA, and the NAIC.

This award 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 were afraid to get involved in difficult issues and find solutions that looked outside the box. Both men were recognized and touted as exceptional leaders by their peers and those who worked for them.



We understand the ability to accept the scholarship may vary by state due to ethics consideration; as such, participation by states is voluntary.

Should you have any questions please contact the one of the following:

Awards and Recognition Subcommittee Chair, **Carla Bailey**, at [carlab@oic.wa.gov](mailto:carlab@oic.wa.gov) or 206-587-5185

IRES Membership and Benefits Chair, **Martha Long**, at [Martha.Long@insurance.mo.gov](mailto:Martha.Long@insurance.mo.gov) or 573-751-2303

IRES State Chair Chairperson, **LeAnn Crow**, at [lcrow@ksinsurance.org](mailto:lcrow@ksinsurance.org) or 785-296-2634

**Applications are due by December 31, 2015.**

# The IRES Foundation National School on Market Regulation.... Turning the corner towards Market Conduct Accreditation

by Chris Palmieri, IRES Foundation 2016 School Chair

**A**re you an insurance company compliance leader involved in state and federal regulatory initiatives? Do you want to network with senior level state insurance department market regulation staff and company compliance professionals? **If so, then mark your calendar for April 17-19, 2016, and join us in San Antonio, Texas, for our annual IRES Foundation National School on Market Regulation,** a longstanding tradition in the regulatory compliance community.

Regulators from a dozen or more states will once again attend our school as faculty. Education and collaboration are critical to the success of effective market regulation and our school is uniquely focused on market conduct, market analysis and regulatory compliance topics. It has been recognized as “the event” to bring together insurance regulators and industry professionals, supporting the IRES Foundation’s mission to promote the professionalism of insurance regulators and to educate the private sector about state insurance regulation.

In recent years, market regulation has evolved from a small number of states performing cyclical market conduct examinations to virtually all states employing a model of market analysis. Technological solutions introduced by the NAIC facilitate access to, and analysis of, a vast amount of data, not limited to Market Conduct

Annual Statement data. These solutions, along with the advent of new departmental and NAIC protocols and forums such as MAWG, encourage, and result in, collaboration among state regulators. This evolving shift in regulatory procedure has fostered a more collaborative approach between industry and regulators and has also provided compliance leaders with a platform to educate company executives and employees regarding the consequences of noncompliance.

As we turn the corner towards Market

opportunity to feature sessions dealing with all things Texas, including workers’ compensation compliance matters.

We are excited to have Texas Department of Insurance Commissioner David Mattax deliver our opening keynote address. Commissioner Mattax will join Texas Division of Workers’ Compensation Commissioner Ryan Brannan and Insurance Council of Texas Executive Director Albert Betts for our school’s opening session, the Texas Roundtable.

During our 2015 school in La Jolla, CA, we offered a *View from the Top*, spotlighting the role of the Chief Compliance Officer. The roles of the C-suite executives are demanding and have never been more closely scrutinized as they are now in our current regulatory environment. Our 2016 school will provide another perspective from the C-suite with a lively discussion amongst Chief Risk Officers.

As customary, we will conclude our school with a regulatory

rivalry between regulators and industry to decide who knows more about insurance!

For those of you who have attended our event in prior years, you’ll agree that our informal setting provides the opportunity for valuable interaction with state insurance department and insurance company compliance professionals. Private appointments and networking social events allow attendees with opportunities to develop and maintain relationships, as well



San Antonio, Texas | April 17-19, 2016  
The Westin Riverwalk, San Antonio

Conduct Accreditation, collaboration among regulators, industry and the NAIC will be essential as this next phase in market regulation begins to take shape. Our curriculum will focus on the core market regulatory topics such as market analysis, unclaimed property, the Affordable Care Act, and claims compliance as well as emerging topics like market conduct accreditation, cybersecurity and compliance beyond the home office. Our 2016 venue also provides us with the

□ continued on page 16

IRES Foundation School – continued from page 15

as engage in dialogue fundamental to the role of the compliance leader. To quote a famous slogan, it's the type of event "*where everybody knows your name*". Don't miss this opportunity to get to know your regulators and industry counterparts.

For those of you interested in securing your MCM (Market Conduct Management) designation, IRES will be hosting

a class following our Foundation event. On behalf of the IRES Foundation Board of Directors, we hope to see many familiar and new faces at our school in San Antonio.

Registration is now open. Room blocks can fill fast so register online then book your room at the Westin Riverwalk in San Antonio! We also invite insurance

companies, vendors and law firms to help sponsor our event.

Check out our website to learn more about the school as well as the benefits of sponsorship. See you in San Antonio!

<http://ires-foundation.org/2016-School/>

## 'Zoning In'

By Kathy Donovan, MCM®

### Northeast Zone

#### Delaware Addresses "Widow's Penalty"

Auto Bulletin No. 23, dated Oct. 6, 2015 and titled "Widow's Penalty - Increase Auto Rates for Widows and Widowers," reminds insurers that auto insurance rate filings which cannot provide actuarially-supported statistics for including widows and widowers in a higher single rate category will not be approved. While certain types of rating changes would be permitted, unjustified rate increases for widows and widowers would be disallowed.

#### Maryland Clarifies Dog Bite Liability Exclusion

Bulletin 15-25 "Homeowner's / Renter's Insurance - Dog Bite Liability Exclusion for Certain Breeds of Dogs" issued on Sept. 28, 2015 clarifies insurer underwriting requirements for the sale of homeowner's and renter's insurance policies that contain exclusions for specific breeds of dogs. The administration notes that "to justify the underwriting standard, Maryland-specific experience may be used, but is not required, as evidence that an exclusion for coverage of losses for certain breeds of dogs is related to the insurer's economic and business purposes. An insurer may also demonstrate compliance with § 27-501(a)(2) using other appropriate data, such as national experience statistics."

### Rhode Island Issues Price Optimization Guidance

Bulletin 2015-8, dated Sept. 18, 2015, includes the following filing requirements:

- Any insurer that uses price optimization to rate policies delivered or issued for delivery in Rhode Island should submit revised filings that remove such factors within 60 days after the date of this Bulletin. information that the covered entity retains in electronic and hard copy form;
- Insurers must also disclose in SERFF- Question #17 of the RI Rate Procedural Informational Summary Form, whether the company uses non-risk-related factors such as price optimization or elasticity of demand to help determine personal insurance premiums.
- Insurers with currently pending rate filings should amend them to disclose this information, if applicable.

### Southeast Zone

#### Arkansas Establishes Guidelines for the "Arkansas Healthcare Transparency Initiative"

Auto Bulletin No. 23, dated Oct. 6, 2015 and titled "Widow's Penalty - Increase Auto Rates for Widows and Widowers," reminds insurers that auto insurance rate filings which cannot provide actuarially-supported statistics

for including widows and widowers in a higher single rate category will not be approved. While certain types of rating changes would be permitted, unjustified rate increases for widows and widowers would be disallowed.

#### North Carolina Enacts "Unclaimed Life Insurance Benefits Act"

SB 665, effective Oct. 1, 2015, sets forth new requirements for life insurers concerning mandatory comparisons of company records of in force policies, annuities, and account owners against a death master file (DMF.) The Act also establishes the following steps to be taken within 90 days of learning of the possible death of a person through a DMF match or otherwise:

- Confirm the death of such person against other available records and information.
- Review its records to determine whether such deceased person had purchased any other products with the insurer.
- Determine whether benefits may be due in accordance with any applicable policy, annuity, or retained asset account.
- Locate the beneficiary or beneficiaries.



□ continued on page 17

□ 'Zoning In' – continued from page 16

- Provide the appropriate claims forms or instructions to the beneficiary to make a claim and notify the beneficiary of the actions necessary to submit a valid claim.
- Maintain documentation of all efforts to locate the beneficiary or person, as applicable.

## Midwest Zone

### Michigan Issues “Insurance Sliding” Bulletin

Bulletin 2015-21-INS, dated Sept. 23, 2015,

reminds insurance producers about the prohibited practice of “sliding”. Examples of sliding activities include:

- representing to an applicant that a roadside assistance product is part of a DIFS-approved insurance product when, in fact, it is not;
- representing to an applicant that a roadside assistance product is required for the purchase of automobile insurance, when it is not;
- representing to an applicant that any ancillary coverage or product is required in conjunction with the purchase of insurance when such coverage or product is not required;
- enticing customers into signing up for an auto club membership by failing to fully explain and disclose what is being signed or agreed to;
- enticing customers into signing up for insurance coverage without fully explaining all coverages included and the cost for each;
- representing to an applicant that an ancillary coverage, service or product is included as part of an insurance product or without additional charge when it is not or when such charge is in fact required;
- failing to accurately disclose the cost of insurance as charged by the insurer;
- failing to fully explain the separate cost of roadside assistance and towing coverage and/or roadside assistance and tow club membership; and



- charging an applicant for an ancillary coverage or product, in addition to the cost of the insurance coverage being applied for, without the informed consent of the applicant.

### North Dakota Addresses Coordination of Benefits

Information on coordination of benefits (COB) between health insurers and no-fault auto insurers in North Dakota is included in Bulletin 2015-1, dated Oct. 2, 2015. Key compliance steps associated with the allowed COB procedure include:

- No-fault insurers and the secondary plan must coordinate benefits beginning from the first dollar paid on the claim regardless of whether the claim reaches the \$10,000 amount
- Coordinating benefits from the first dollar paid on the claim includes, but is not limited to, the no-fault insurer notifying the secondary plan of a claim payment at the same time the no-fault insurer pays a claim, starting with the first payment of a claim benefit.
- Once the health insurer has been notified by the no-fault insurer of a coordination of benefits claim payment, it is the health insurer's responsibility to ensure proper crediting of a consumer's deductible and coinsurance from the first dollar of a paid claim and to ensure that the consumer is receiving the appropriate benefits of coordination.

### Oklahoma Requires “Earthquake Notice”

Bulletin PC 2015-04, dated Oct. 20, 2015, is the latest in a series of bulletins addressing the increasing number of earthquakes in that state. In an effort to inform consumers about earthquake coverage, the department directs all companies which provide insurance coverage for earthquakes to provide a “clarifying notice” to Oklahoma policyholders and any licensed producers authorized by the company to sell such coverage, with the notice containing, in substance, the following information:

“EARTHQUAKES RESULTING FROM OIL AND GAS ACTIVITIES Subject to all policy provisions, the coverage provided by this policy (IS) or (IS NOT) intended to cover earthquake damage resulting from:

- a. extracting oil or gas from below the earth's surface by any process, including but not limited to hydraulic fracturing or drilling; or
- b. injecting or inserting any substance, including but not limited to, water and wastewater, below the earth's surface for any purpose; or
- c. storage of any substance, including but not limited to, water and wastewater below the earth's surface for any purpose; or
- d. any combination of a. - c. above.”

## Western Zone

### Colorado Adopts Disclosure Provisions for Personal Auto Policies

Effective Oct. 15, 2015, Regulation CCR 5-2-17 requires that any insurer issuing a private passenger automobile policy that includes a step-down provision must include the following, or a substantively similar, disclosure, in 10 point print or larger, on the declaration page or face of the policy: “THIS POLICY INCLUDES A STEP-DOWN PROVISION WHICH REDUCES THE AMOUNT OF COVERAGE FOR CERTAIN INSURED UNDER THE POLICY. THE STEP-DOWN PROVISION THAT REDUCES THE AMOUNT OF COVERAGE FOR CERTAIN INSURED CAN BE FOUND AT PAGE(S) [FILL IN BLANK] OF THE POLICY CONTRACT.” Additionally, the following disclosure must be conspicuously displayed in 10 point print or larger, on the declaration page or face of the policy and on any applicable form furnished to the insured when an issued policy does not provide liability coverage for bodily injury and property damage: “THIS POLICY DOES NOT MEET THE STATUTORY REQUIREMENTS OF THIS STATE'S FINANCIAL RESPONSIBILITY LAWS. IT DOES NOT PROVIDE LIABILITY COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE.”



continued on page 18

Zoning In— continued from page 17

### Montana Issues Price Optimization

Joining the growing list of states providing guidance on the use of price optimization, the Montana CSI's Advisory Memorandum of Sept. 18, 2015 states that "the use of price optimization in rating plans constitutes an illegal, unfairly discriminatory practice." There is a pending filing deadline approaching for any insurer currently using a rating plan employing price optimization. Such insurers must (1) notify the CSI that its current rating plan incorporates price optimization; and (2) file an updated rating plan with the CSI that does not use price optimization by Feb. 1, 2016. ■

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.

## State Chapter News

### Pennsylvania

PA Commissioner Teresa Miller has prohibited auto insurers in the state from using the so-called "widow's penalty", under which a widow or widower is charged a higher rate solely based on the change in his or her marital status. I have attached a press release on the topic for additional information was on the board of directors for several years.

PA Governor Tom Wolf joined Insurance Commissioner Teresa Miller in alerting consumers that the Insurance Department will continue to oppose a practice known in the industry as "price optimization", in which sophisticated pricing tools are used to charge different premiums to policyholders who present essentially the same risk to the insurer, with the price differences based on whether or not a particular policyholder is likely to shop around for less expensive coverage. ■

# Top 10 Market Conduct Actions U.S. Insurers Faced in 2014

by Kathy Donovan, MCM®

On Wednesday, Nov. 4, Wolters Kluwer Financial Services released the results of its review of the market conduct actions taken against U.S. property and casualty (P&C) and life and health (L&H) insurers in 2014. The findings showed compliance challenges exist across functional areas, but three claims compliance violations continue to dominate the findings: 1) Timely claim handling; 2) Incomplete documentation; and 3) Failure to provide required compliant disclosures.

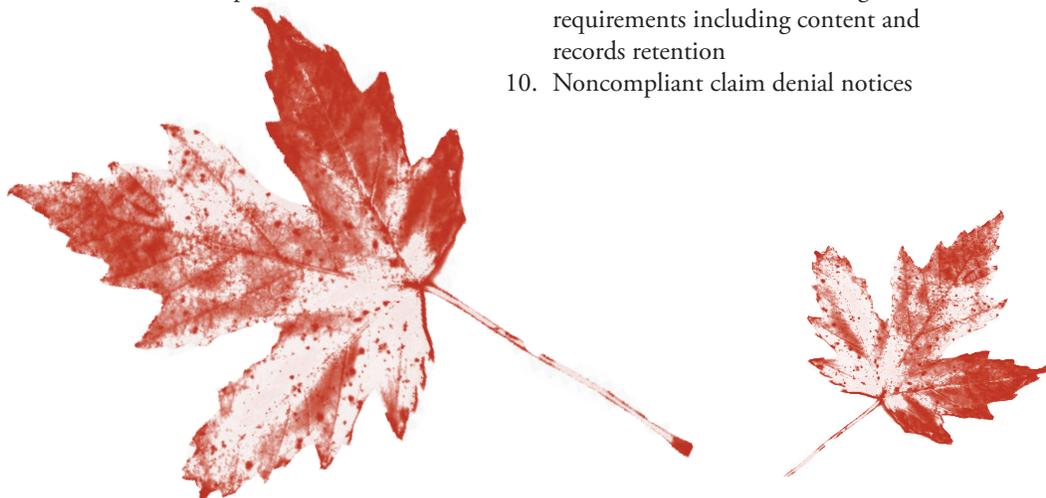
Over the last several years the analysis has found claims management is one of the top three compliance challenges for insurers across all lines and it was the top compliance challenge

### 2014 Top 10 Market Conduct Actions for P&C Insurers

1. Failure to acknowledge, pay, investigate or deny claims within specified timeframes
2. Using unapproved/unfiled rates and rules or misapplying rating factors
3. Failure to provide required compliant disclosures in claims processing
4. Failure to cancel or non-renew policies in accordance with requirements
5. Failure to process total loss claims properly
6. Failure to adhere to producer appointment, termination, records and/or licensing requirements
7. Improper/incomplete documentation of underwriting files
8. Improper/incomplete documentation of claim files
9. Failure to provide required compliant disclosures in underwriting processes
10. Failure to process and pay claims in accordance with policies

### 2014 Top 10 Market Conduct Actions for L&H Insurers

1. Failure to acknowledge, pay, investigate, or deny claims within specified timeframes
2. Improper/incomplete documentation of underwriting and claim files
3. Failure to pay claims properly in accordance with policy provisions and requirements
4. Failure to adhere to producer appointment, termination, records and/or licensing requirements
5. Failure to provide required claims and underwriting disclosures
6. Failure to adhere to required claims grievance and appeal processes, including timeframes and disclosures
7. Providing unverifiable and/or inaccurate responses in the Market Conduct Annual Statement
8. Use of unfiled/unapproved or non-compliant policy forms
9. Failure to adhere to advertising requirements including content and records retention
10. Noncompliant claim denial notices



## 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®

- ★ Sue Griffin, AIE, MCM
- ★ Megan Keck, AIE
- ★ Monica Lopez, AIE (TX)
- ★ Kofi Mensah, AIE (NY)
- ★ Juan Pena, AIE (NY)
- ★ John Salas, AIE (NY)
- ★ Jason Nemes, AIE, MCM

#### CIE®

- ★ Nicole Boyd, CIE, CICSR, MCM (KS)
- ★ Natalya Castelli, CIE (NY)
- ★ Ventura De La Rosa III, CIE (TX)
- ★ Arthur Dodd, CIE, AMCM (VA)
- ★ Dennis Fitzpatrick, CIE, CICSR, MCM (MO)
- ★ Juan Pena, CIE (NY)

#### CICSR®

- ★ Rebecca Shigley, CICSR

#### MCM®

- ★ Sue Griffin, AIE, MCM
- ★ Mr. Wendell McDavid, AIE, MCM (Unaffiliated)
- ★ Mrs. Tracy Biehn, MCM (NC)
- ★ Maxine Brooks, MCM
- ★ Jennifer Pawlcy, MCM
- ★ Linda Black, MCM (KY)
- ★ Gina Abate, MCM (NC)
- ★ Andromeda Monroe, MCM
- ★ Pat Lee, AIE, MCM (Unaffiliated)
- ★ James Hartsfield, MCM (DE)
- ★ Gillian Hinds-Vaughn, MCM
- ★ Cari Clauss (NE)
- ★ Barbara Caruso, MCM
- ★ Joanna Latham, MCM (GA)
- ★ Ken Weine, MCM (IL)
- ★ Rosann Grandy, MCM (MT)
- ★ Wayne Johnson, MCM (FL)
- ★ Eric Scott, MCM (FL)
- ★ Mary Butler, MCM (Unaffiliated)
- ★ Lourdes Arias, MCM (CA)
- ★ Maria Reinmann, MCM (OH)
- ★ Michael Hayson, MCM
- ★ Mardrell Mitchell, MCM
- ★ Letha Greene, MCM (WV)
- ★ Donald Roof, MCM (GA)
- ★ H. Charles Black, MCM (Unaffiliated)

## 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

- ★ Gina Abate (NC)
- ★ Lourdes Arias (CA)
- ★ Jonathon Bartholomew (NB)
- ★ H. Charles Black (unaffiliated)
- ★ Mary Butler (unaffiliated)
- ★ Corban Gehler (WI)
- ★ Sandy Glaze (UT)
- ★ Rosann Grandy (MT)
- ★ Letha Greene (WV)
- ★ Tad Herin (MO)
- ★ John Holley (AK)
- ★ Wayne Johnson (FL)
- ★ Monica Lopez (TX)
- ★ Nelson Otto (MO)
- ★ Juan Pena (NY)
- ★ Donald Roof (GA)
- ★ Peter Salvatore (PA)
- ★ Eric Scott (FL)
- ★ Tracy Swalwell (IA)
- ★ David Taylor (KS)
- ★ Ken Weine (IL)

#### INDIVIDUAL SUSTAINING

- ★ Mardrell Mitchell
- ★ Kathleen Murphy (unaffiliated)



## In Memoriam

We would like to recognize and pay tribute to some of our colleagues and fellow IRES members that have recently passed away. They will be dearly missed.

### Jim Mumford

Submitted by Stephanie Duchene

It is with great sadness that we share the passing of James R. Mumford, a well respected colleague and frequent presenter at the IRES Foundation National School on Market Regulation.

Jim, 78, served in the Iowa Insurance Division as First Deputy Commissioner from 2005 until his retirement in January 2015. For six of those years he served as administrator of the Iowa Securities Industry & Regulated Industries Bureau following the bureau's combination with the insurance department. Prior to that, Jim, a graduate of Harvard Law School, worked in the insurance industry for 50 years, beginning in private practice in 1965, later moving to Equitable Life of Iowa, ING Americas, and further stints in private practice, until joining the Iowa Insurance Division.

Jim is widely known for his collaborative style of regulation as well as supporting advancements in annuity regulations and compliance initiatives. Jim was a member of various National Association of Insurance Commissioners (NAIC) committees and was integral in developing the NAIC's Annuity Disclosure and Annuity Buyers Guides.

Our thoughts and prayers are with Jim's family and friends. Some of his colleagues offer these remembrances:

*"With the passing of Jim Mumford the world lost a great man. Jim was a man of many talents and treasures and the world is better off because he shared them freely. He took great pride in his work and spent countless hours developing other people. I was blessed to know Jim and work with him. He was instrumental in running the Division for many years and helped ensure that my time as commissioner would be successful. We all will miss him dearly and will pray for Jim and his family."* -Nick Gerhart, Iowa Insurance Commissioner.

*"Jim was a true gentleman who sought to find the best for consumers in a thoughtful manner. He did so much for annuity suitability, receivership issues and life illustrations. He was a mentor to all. Any success I had as Commissioner was in large part due to him. Men like Jim are seldom found and hard to forget."* -Susan Voss former NAIC President and Iowa Insurance Commissioner

*"Jim Mumford was a giant in our industry. His deep concern for consumers and our markets made him an ideal partner when trying to address challenging regulatory issues. Over the years, I turned to him for help on a number of issues. He not only gave good counsel, he did the hard work to get things done. He played a critical role in the first national producer licensing model, the development of NIPR, the first illustration models, the work on annuity suitability, the strength of the guaranty fund system, discussions with the FDIC over Dodd-Frank, the*



*liquidation and rehabilitation work, and countless other critical NAIC projects. And he was a good man. His impact has been huge, and he will be missed by many, many people in both industry and regulatory ranks."* -Terri Vaughan, former NAIC CEO and Iowa Insurance Commissioner.

Jim died September 14, 2015 from injuries suffered in an accident while he was working on his Winterset, Iowa home. Memorials may be made to Habitat for Humanity or the National Great Pyrenees Rescue. ■





Copyright 2015 Insurance Regulatory Examiners Society. All rights reserved. Contents may not be reproduced without permission. Opinions expressed by authors are their own, and do not necessarily reflect the policies or opinions of IRES.

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

**IRES BOARD OF DIRECTORS**

**Officers**

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

**Directors**

Ken Allen, AIE, California  
Thomas Anderson, Illinois  
Tracy Biehn, North Carolina  
Sam Binnun, MCM, Unaffiliated  
Lisa Brandt, AIE, MCM, CICSR, Wisconsin  
Robin Clover, AIE, MCM, IRES Foundation  
LeAnn Crow, AMCM, Kansas  
Ben Darnell, MCM, Unaffiliated  
Towanda David, MCM, California  
Dudley Ewen III, AIE, AMCM, Unaffiliated  
Roshi Fekrat, AMCM  
Angela Hatchell, North Carolina  
Randy Helder, AIE, NAIC  
Mark Hooker, CIE, AMCM, CICSR, West Virginia  
Jenny Jeffers, Unaffiliated  
Martha Long, CIE, MCM, Missouri  
Tom McIntyre, CIE, CICSR, AMCM, Unaffiliated  
Jim Mealer, CIE, MCM, Missouri  
Mary Nugent, CIE, AMCM, Federal  
Doug Ommen, MCM, Iowa  
Cristi Owen, AMCM, Alabama  
Paula Pallozzi, Rhode Island  
Doug Pennington, CIE, MCM, CICSR, Federal  
Lori Ruggiero, CIE, MCM, Unaffiliated  
Tanya Sherman, AMCM, Delaware  
Kallie Somme, MCM, Louisiana  
Parker Stevens, CIE, AMCM, Unaffiliated

**THE REGULATOR® EDITORIAL STAFF**

Kara Baysinger, Editor  
Stephanie Duchene, MCM, Associate Editor  
Dana Bogema, Layout Editor

**Publications and Public Relations Committee**

Parker Stevens, CIE, AMCM, Chair  
Kallie Somme, MCM, Vice Chair  
Members: Carla Bailey, Kara Baysinger, Lisa Brandt, LeAnn Crow, Stephanie Duchene, Dudley Ewen, Rosemarie Halle, Leslie Krier, Scott Lawson, Jo LeDuc, Stacy Rinehart

**CONTRIBUTORS**

Holly Blanchard  
Glenn Pomeroy  
Josh Akbar  
Kara Baysinger  
Chris Palmiere  
Jo LeDuc  
Kathy Donovan, MCM  
Stephanie Duchene, MCM

# Editor's Corner

by Kara Baysinger



**T**hank you to all of the contributors to this issue of *The Regulator*®. This issue explores a wide range of emerging hot topics. In particular, Holly Blanchard gives us an insightful look into the future of market conduct exams, focused on ACA compliance. Josh Akbar highlights how recent court decisions provide guidance to regulators who are engaged in evaluating long term care rate increase filings. Glenn Pomeroy explains how the California Earthquake Authority is offering more affordable, valuable earthquake coverage to Californians and how other states could learn from its experience. In addition, we spotlight our Member of the Month, William Sullivan, and get to know one of our Executive Committee members - Tom McIntyre. Tim Mullen from the NAIC keeps us up to date on what is happening in the NAIC's D Committee and Kathy Donovan "zones in" on recent state regulatory activity. IRES president Tanya Sherman fills us in on all the hard work our committees are doing and on the ongoing preparations for the 2016 CDS in Scottsdale, Arizona.

Importantly, we are all reminded to register for the IRES Foundation National School on Market Regulation in April in San Antonio Texas.

Finally, we recognize a great loss to our insurance regulatory community in the passing of Jim Mumford, a well-respected regulator, insurance expert and friend. He is and will be deeply missed.

On behalf of Dentons entire Insurance Regulatory team, we wish you very happy holidays and joyful new year!

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](mailto:TheRegulator@go-ires.org).

— Your staff at *The Regulator*® (Kara and Stephanie)

## Advertising Space Available!

If you're interested in advertising in *The Regulator*®, contact the editor at [TheRegulator@go-ires.org](mailto:TheRegulator@go-ires.org).