

THE REGULATOR™

INSURANCE REGULATORY EXAMINERS SOCIETY

NAIC president says

More uniform regulation is only weapon against feds

by Scott Hooper

special to THE REGULATOR

OAK BROOK, ILL. — Glenn Pomeroy seems such a gentle, soft-spoken man that it's hard to imagine a single harsh word passing his lips.

That made his keynote address at the recent Career Development Seminar in Oak Brook, Ill., all the more striking. That's because mixed in with all the polite talk about the need to fight against federal encroachment of state-by-state insurance regulation was some pretty strong language.

Chicago

"We *will* be replaced unless we can get our collective act together," Pomeroy — North Dakota's commissioner of insurance and this year's president of the National Association of Insurance Commissioners — told his audience of regulators and other insurance professionals.

Not that the NAIC has abandoned its opposition to H.R. 10 and other legislation that would make it hard for state regulators to do their jobs. Not at all.

At the same time, though, Pomeroy made it clear that the mere introduction of such bills sends a strong message in favor of greater uniformity among the states.

"Uniformity — now, that's quite a concept," he said.

"All of us, myself included, have in the past tended to view uniformity as a concept that we're somewhat comfortable with as

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Who were those guys and why were they singing at the opening session of the 1998 CDS in Chicago? See pages 3-13 for more highlights from the Career Development Seminar — our best-attended ever!!

Meyer of Missouri takes IRES helm

OAK BROOK, ILL. — Gary W. Meyer, CIE, market conduct examiner with the Missouri Department of Insurance officially became the 1998-99 president of the Insurance Regulatory Examiners Society during its 11th annual Career Development Seminar and annual meeting here at the Hyatt Regency Hotel.



Gary W. Meyer

Meyer has served on the Board of Directors and this past year was chairman of the Society's Accreditation & Ethics Committee.

In his remarks to the membership, Meyer noted that IRES represents "the best and brightest of modern insurance regulators." [More of the president's remarks can be found on page 2.]

New board members, officers elected for 1998-99 — see page 9.



SEPTEMBER 1998

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The Regulator™

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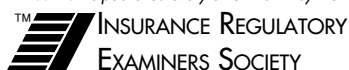
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President's Forum

Gary W. Meyer, CIE
IRES president

First a few words about our CDS. I want to take this opportunity to thank all the participants in the various workshops and presentations. Thanks for all your time and effort. It paid off. Several people have told me how much they enjoyed the commissioners roundtable. I know how busy these gentlemen are so a special thanks is in order to Mr. Angoff, Mr. Blumer, Mr. Dutcher and the moderator, Mr. Bailey.

As some of you may recall, IRES began in Chicago, at a June meeting of the NAIC. In a Sunday meeting, several attendees involved in licensing, consumer affairs, market regulation and policy approval as well as other aspects of insurance regulation agreed to form this organization. In a rather inauspicious beginning, they signed their names on a yellow legal pad. Several of these founders went on to become presidents of IRES.

These individuals, with few resources and facing a considerable number of obstacles, managed to steer IRES on a course that has led to more than 1,000 members and packed career development seminars. These same individuals developed a curriculum that is so challenging that it is recognized as a hallmark by the NAIC, as well as several individual states, and is more sought after than ever. Unfortunately, until this year we have not had a procedure for continuing to harvest the precious resource of these past leaders and their experience.

I am now pleased to report the formation of a Past President's Council. The purpose of the council is to advise the sitting president and board in specific matters that the board may have under consideration. They can plan on hearing from me.

We need to remember that the purpose of IRES is not to lobby legislatures or the media. Our function is not to establish policy. We are not a labor union and our members come from all segments of the insurance regulatory field. IRES, through curriculum

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**Message from the new editor of
The Regulator — see page 9**



A HIGH NOTE: The 1998 Career Development Seminar

Who were those guys who grabbed the microphones and burst into precision, four-part harmony to kick off the 11th annual IRES Career Development Seminar? Were they field examiners? Insurance company compliance specialists? Past IRES presidents?

Insurance seminars aren't supposed to be this much fun.

But it was that kind of seminar. More than 440 regulators and industry experts met, debated, conferred, argued, complained, queried and sometimes even sang their way around the Hyatt Regency in Oak Brook, just outside Chicago. It was all about being a professional, from the opening tunes (the foursome was actually a professional local barbershop quartet!) right down to the final breakout sessions and panel discussions. It was our best CDS ever. You should've been there.



Chicago



[CLOCKWISE FROM TOP LEFT]: John Mancini of the NAIC was co-host of a panel debate between... regulators and industry experts. . . Ed Swannstrom, CNA, and other members of the panel relieved their stress by tossing miniature soccer balls at each other. . . Incoming IRES President Gary W. Meyer of Missouri hands a crystal gavel to Christel Szczesniak, Colorado, outgoing president. . . Industry attorney Bill Bailey wasn't shy about sharing his opinions on anything during the seminar.

Angela Ford receives 1998 President's Award

Angela Kay Ford of North Carolina has been named recipient of the 1998 IRES President's Award.

The honor was bestowed Aug. 3 during the 11th annual IRES Career Development Seminar in Oak Brook Ill.

IRES President Christel Szczesniak of Colorado noted that Angela Ford has dedicated countless hours of work to various IRES educational programs as a discussion leader and instructor. "No matter how many other instructors are involved," Szczesniak said, "when the evaluations come back, she is the one the students loved the most. She is the one they wanted to hear more from, to talk more with. . . She is the one they all want to come back and teach them next year."



Angela Ford (right) receives the President's Award from IRES President Christel Szczesniak

"If we could clone her and make a few dozen more copies of her, we'd have the most popular insurance seminars in the world," Szczesniak added.

Ford is a senior deputy at the North Carolina Insurance Department, a member of the IRES Board of Directors and is the Society's 1998-99 president-elect. She was chair of the Society's Education Committee during 1997-98.

"She is living proof," Szczesniak said, "that state insurance regulation is in good hands and has a very bright future. . . She is a true professional, a fair regulator, a great colleague and a real tribute to the profession of insurance."

Al Greer Award presented to Mary Lou Clack of Missouri

Mary Lou Clack of Missouri was presented the 1998 Al Greer Award during the IRES Career Development Seminar in Oak Brook, Ill., on Aug. 4.

Gerry Milsky, Virginia, chair of the IRES Membership Committee, explained that the award is given each year to an

insurance regulator who "epitomizes the hard-working, honest and caring commitment that is the hallmark of a truly professional regulator." He

noted that nominations for the award come from the IRES general membership.

Mary Lou Clack, CIE, CPCU, has been in insurance regulation for nearly 21 years, having served as everything from a secretary to a market conduct examiner in-charge. She also has served as co-editor of the Missouri department's quarterly newsletter and as its education representative.



Mary Lou Clack receives the Greer Award from Gerry Milsky, Virginia

Arizona attorney receives award for top 1998 article



Phoenix attorney Kathy A. Steadman (at left) receives the Schrader-Nelson Publications Award for her *REGULATOR* article about confidentiality of exam documents. Presenting the award were IRES President Christel Szczesniak and Board member Frank Seidel.

NAIC president: old ways won't work

continued from page 1

long as everybody does business the way we've been doing it in my state for the last 100 years," he said. "Well, that's not going to work any more," he said. "Congress isn't going to allow that to continue."

When it comes to delivering that two-part message — that 1) the feds need to keep their hands off state insurance regulation, and 2) the states need to clean up their act — Pomeroy is the ideal messenger.

That's because before he was North Dakota's insurance commissioner, he was that state's securities commissioner. And the securities industry has lived for decades with the kind of two-tier regulation that insurance is only now contemplating.

"There's not a doubt in my mind from that experience where the consumer protection function is provided," he said.

"If somebody's got a problem with an investment and they want to talk to someone about it,



where do you think that person can get more response from? Their state securities commissioner, housed in offices nearby, or the federal Securities and Exchange Commission in Washington, D.C.?"

Consumer protection the key

OK, so the SEC may have it over the states when it comes to keeping the exchanges running smoothly. But where the rubber meets the road in

Pomeroy's view — whether you're a regulator or with a company — is consumer protection.

"Consumer protection — making sure that consumers get sold fair policies at fair prices and, just as important, making sure that the coverage will be there

when it's needed — that's what our collective work is all about," he said.



We don't just need financially solvent insurance companies, he added, but also companies that will honor the promises they made to their policyholders. "It's clearly in the industry's interest for consumers to have confidence in the way insurance is marketed, and it clearly is in the interest of the insurance regulators that that confidence be there as well."

No matter how well the current system has worked in the past, it will have to change to keep up with future demands — whether those demands come from insurers, state or federal legislators, consumers or the increasingly wired world in which we live.

"I'm a huge fan of this state-based environment," Pomeroy said.

"In fact, I'm such a fan of it — and I'm so confident in it — that I'm willing to admit that it's not perfect. And I'm willing to put my nose to the grindstone to try to make it work better."

Pomeroy gave a plug for SR 2000 (State Regulation 2000, the year-old NAIC program to upgrade state-by-state regulation), outlining six steps that he feels will greatly improve efficiency and responsiveness.

Four of the initiatives deal with agent licensing:

- The Producer Database (PDB), a one-stop source of information about people selling insurance, no matter what state they're in. More than a dozen states already are online, sharing information and making it easier to perform due diligence.

Pomeroy: more uniformity needed

continued from preceding page

- The Producer Information Network (PIN), which Pomeroy described as an intranet of insurance regulatory commerce, allowing companies to appoint and license producers in multiple states as easily as they now can in one state.

- Uniform Treatment, which will allow the same form to be used for all agent appointments.

- Uniform approval of CE courses, so that national providers of continuing education will be able to offer the same number of hours of credit in every state, without each state's CE administrator going over the same ground. The first two initiatives, PDB and PIN, are actually under the management of IRIN (the Insurance Regulatory Information Network), a public/private partnership that includes both state agencies and insurance companies.

Two other NAIC initiatives are aimed at

easing other aspects of the insurer-regulator relationship:

- Accelerated Licensure Evaluation Review Team (ALERT), now in effect in 10 states, allows a company to complete one uniform application package so that multiple states may more quickly approve or deny certificates of approval.

- System for Electronic Rate and Form Filing (SERFF), a mechanism for companies to transmit rate and form requests electronically.

North Dakota went online last May with SERFF, and Pomeroy said he was amazed with how smoothly it went.

"The normal process would be for

the paper to be FedExed or shipped to us somehow," he said.

"It would come into our mailroom and be stamped 'received,' transferred over to another person who would then transfer it to another person, who would route it to a reviewer back in our reviewing area. The review would take place and paperwork would transpire, showing the approval, and a file would be created and other humans would get involved transferring this paperwork."

And finally, he said, there would be one more file to add to the blizzard of paperwork that's killing us all.

"None of that happened in this case," Pomeroy said.

"Instead, this filing came in electronically and was electronically transmitted immediately to our reviewer.

"I sat by the person as they showed me how it worked, and they scrolled

“ This is not futuristic prognostication. This convergence of the financial service sectors is happening both here and around the world. ”



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NAIC chief: losing the 'bright lines' of regulation

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through the filing and got all the information they needed. They ultimately got to the point where they wanted to approve this filing. They hit a button, and that one click took care of the notification of the filing and all of the other paperwork that otherwise is associated with the Jurassic Park way of doing things.”

Thumbs down on H.R. 10

For all the talk of cooperation and uniformity, rest assured that the NAIC remains strongly opposed to H.R. 10 and other encroachments on the state-based regulatory framework masquerading as “financial modernization.”

“The bright lines that so long divided securities from insurance from the banking industry don’t exist any more,” Pomeroy said.

“And this is happening,” he said. “This is not futuristic prognostication. This convergence of the financial service sectors is happening both here and around the world.

“The NAIC recognizes that, and we support measures to modernize both state and federal laws to facilitate the ongoing effective and efficient transformation of the insurance business.”

Pomeroy pointed out that some proponents of

H.R. 10 say they’re not trying to create a federal bureaucracy to have some banking regulators oversee this insurance oversight.

To which he replies: “We’re not saying that H.R. 10 creates a new federal insurance regulator.

“We’re saying it creates a possibility where insurance activity that would take place within a bank would be subject to no oversight at all, and that is a result that we just cannot live with.”

Congress is considering a number of assaults on state-based regulation, with auto choice and health bills, to name but two examples. The bellwether threat remains H.R. 10, which passed the House by one vote and is currently before the Senate.

Pomeroy said that a number of commissioners — he singled out Kentucky’s George Nichols III — have had productive conversations with key senators. It appears possible that the bill could be amended to the point that the NAIC could actually support it.

But the bottom line remains the bottom line.

“We can’t support federal legislation that would prevent or significantly interfere with our ability to regulate in the insurance arena, even if that insurance activity occurs within a bank.”

President’s Report

IRES Board establishes Past Presidents Council

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and certification programs have established the professionalism of the membership. I believe we represent the best and brightest of modern insurance regulators. I feel that we are entitled to call ourselves professionals because of the time we spend staying current on the issues and continually educating ourselves. On a daily basis we prove we know insurance and insurance companies.

Whether the future of insurance regulation continues at the state level, is shifted to the federal level or becomes a dual regulation is probably beyond our control. Regardless of the political twists and turn of our chosen field,

continuing our education into the various aspects of insurance is the best way we can ensure that we are “building a better world for insurance consumers.” After all is said and done, that’s why we as individuals and as an organization are here.

Last but certainly not least, is member involvement in the organization. I know that you are managing a career, family life and involvement in other civic and professional organizations. The Chicago CDS is history and we are now into planning for the 1999 CDS in Las Vegas. If you are interested in helping please call, if you have ideas for a workshop please share them. If you have ideas how to improve IRES, let me know.

Your new editor: Wayne Cotter

Hello fellow IRES members.

I just wanted to introduce myself and let you know what we'll be doing with THE REGULATOR over the next year.

First of all, a little about me. I've edited the New York Insurance Department's newsletter, THE BULLETIN, since 1984 and worked as Associate Editor of The Regulator under Frank Seidel in the early- to mid-90s. I've been an IRES member since the organization's inception, and just recently earned my CIE.

As evidenced by this year's CDS, state regulators are at a crossroad. Mega-mergers, financial services integration and the Internet are forcing us to re-think our traditional roles. I hope you can share some of your thoughts with us about the changing regulatory environment or other areas of mutual concern.

Whether it's a letter, an article or just a suggestion, I'd appreciate hearing from you. E-mail is the best way to get in touch fast. Send your thoughts to wcotter@ins.state.us.ny.

As you might imagine, The Regulator isn't always a pleasure to publish. Sometimes it's a downright chore. It's a chore when we lack articles, authors and ideas. It's a pleasure when our members contribute and ideas flow freely.

I'm hoping this year will bring more pleasure than pain. Of course, helping me ease the pain will be some excellent people, David Chartrand and Scott Hooper of the IRES staff. We will also be forming a publications committee who I will introduce in a subsequent issue.

Time to go. Hope to hear from you soon.

IRES board members, officers selected for '98-99

OAK BROOK, ILL. — The following persons were elected here by the IRES membership to four-year terms on the Board of Directors:

- Christel Szczesniak, Colorado
- Tommy Thompson, Oklahoma
- Weldon Hazlewood, Virginia
- Scott Laird, Texas
- Michelle Muirhead, Nebraska
- Nancy Thomas, Delaware
- Bruce Ramage, Nebraska
- Ed Mailen, Kansas

The IRES Board of Directors elected the following officers for the 1998-99 operating year:



President Meyer presiding in Chicago

EXECUTIVE COMMITTEE: Gary Meyer, chair

PUBLICATIONS: Stephen Martuscello, chair; Scott Laird, vice chair

EDUCATION: Christel Szczesniak, chair; Gerry Milsky, vice chair

ACCREDITATION & ETHICS: Jann Goodpaster, chair; Gary Domer, vice chair

MEMBERSHIP & BENEFITS: Paul Bicica, chair; Ed Mailen, vice chair

MEETINGS & ELECTIONS: Angela Ford, chair; Shirley Williams, vice chair

FINANCE & BUDGET: Tommy Thompson, chair; Weldon Hazlewood, vice chair

The following persons were appointed to special terms on the IRES Board of Directors:

• Dudley Ewen, Maryland, to fill unexpired term of former member Tom Ballard, expiring in year 2000.

• Gary Evans, Delaware, to 1-year, at-large term

• John Reimer, Kansas, to 1-year, at-large term

Midwest regulators reflect pride, uneasiness

The 1998 IRES Commissioners Roundtable

EDITOR'S NOTE: *The IRES opening session featured three Midwest regulators — Jay Angoff, Director of Insurance in Missouri, Randy Blumer, Wisconsin's Acting Commissioner of Insurance and Arnold Dutcher, Acting Director of Insurance for Illinois. The moderator was William E. Bailey, special counsel to the Insurance Information Institute and younger brother of famed defense attorney, F. Lee Bailey. William Bailey has been hosting a live, phone-in insurance radio show every Sunday for the past four years. His show is carried by nearly 100 radio stations across the country.*

by Wayne Cotter
EDITOR, THE REGULATOR

OAK BROOK, ILL — It could be argued that insurance markets have never operated as efficiently as they do now. Competition in the marketplace has helped stabilize rates in most lines, profits are up and niche writers have helped millions of consumers find meaningful products without resorting to the residual markets. It would appear state regulation has been working very well, yet few state regulators are patting themselves on the backs.

In fact, most are uneasy. We're rethinking our role in the brave new world of global competition and Internet-based distribution systems and questioning our most basic assumptions: Is state regulation really inherently better than a federal approach? Could a dual system work? Can functional regulation work in a fully integrated financial services marketplace? Who really owns a mutual insurer? The commissioners' answers reflected the pride as well as the uneasiness many of us

Mr. Cotter is Director of Research & Statistics for the New York State Insurance Department.

in state regulation feel these days.

'Welcome to my nightmares'

Bailey tossed the commissioners a softball to begin the proceedings, asking each to describe his most significant accomplishment. Soon, however, he was leading them into darker territory, prompting the commissioners to share their worst legislative nightmares. What single initiative, he asked, could your legislature pass that would reverse years of regulatory progress in your state?

Blumer said nothing would scare him more than a move by the Wisconsin legislature to eliminate HMOs and return to the "good old days" of indemnity plans that allowed "any doctor to send any bill at any time for any amount." This nightmare legislation would also require, Mr. Blumer wryly added, that the Wisconsin commissioner ensure that such coverage is "affordable."

Angoff of Missouri said his worst fear would be a statute permitting insolvent insurers to be administered directly by the Missouri courts. It seems a county judge recently issued a similar ruling regarding a Missouri estate, leaving Angoff unable to exercise his statutory authority to monitor the



Commissioners: seeing regulatory nightmares

continued from preceding page

estate. Such a decision, said Angoff, can lead to fiduciary abuses, not to mention strings of sleepless nights.



Missouri's Angoff

Meanwhile, Dutcher said nothing could be worse for his state than legislation that would re-establish in-depth rate regulation and approvals and re-regulate commercial insurance sales. Illinois actuaries, Dutcher said, analyze loss reserves, not pricing.

Changing Corporate Structures

The discussion moved from nightmares to mega-mergers when Bailey asked about the impact on consumers of the proposed Citibank/Travelers merger and similar consolidations. Commissioner Angoff responded that the Citicorp merger does not present a problem under traditional anti-trust analysis. No company under the proposed Citigroup would have a significant market share in any line of insurance in any territory in the country, he said.

Director Dutcher stressed that any integrated regulatory system must maintain functional regulation to ensure that licensees don't wind up being regulated by those lacking an insurance background. Section 104 of proposed H.R. 10, said Dutcher, is a particularly worrisome provision because it has the potential to remove the jurisdiction of insurance regulators over certain insurance products written by banks.

Many bank regulators, said Dutcher, fail to see the distinction between insurance products and bank products. He cited the Blackfeet National Bank case where banking regulators approved an annuity product sold by the bank that contained a mortality risk. Banking authorities saw it as a banking product, which it clearly was not. Insurance regulators were forced into federal court in

order to overturn the banking regulators' decision.

The "Walmarting" of America was next on the agenda, as our moderator described a country that wants deep discounts, overnight delivery and no-frills packaging. To what extent, Bailey asked, is this phenomenon changing the insurance marketplace and how should regulators respond?

Director Angoff thought the Wal-Mart analogy might be a bit of a stretch when it comes to insurance. There will be "Wal-Mart-like" insurers, said Angoff, and Wal-Mart-like distribution systems, but not every customer will prefer such an approach, and not every company and producer will adopt it. He did add, however, that he had difficulty seeing how the current agency-dominated distribution system can be maintained into the next century given the vast changes in the insurance marketplace.

No overview of the current regulatory landscape would be complete without a demutualization discussion, and Bailey introduced the subject by citing recent allegations about Allied Mutual in *Schiff's Insurance Observer* (an independently produced publication that unabashedly reflects the insights, opinions and prejudices of its editor/founder, David Schiff). *Schiff's* claimed that Allied Mutual had improperly shifted assets among



Wisconsin's Blumer

companies once it had converted to mutual holding company status. Why are demutualizations and mutual holding company conversions occurring, asked Bailey, and are such moves in the policyholders' best interest?

Angoff, with tongue placed firmly in cheek,

continued on next page

Commissioners assess state of regulation

continued from preceding page

responded that mutual insurance company CEOs “are absolute paupers, are destitute, are impoverished compared to the Sandy Weils and Hank Greenbergs and the people who run stock companies. And if you don’t think that this is part of what’s driving the mutual holding company movement, I believe that you’re mistaken.”

When asked who really owns a mutual insurer, Dutcher replied that no one really owns a mutual in the same sense that one commonly thinks of ownership in this country. Blumer added there are a significant number of mutuals that were designed by policyholders to meet specific needs and have no intention of converting.

However, Dutcher noted that provisions in proposed H.R. 10 state that where affiliations between insurers and federally chartered thrifts and banks exist, then such affiliates must be controlled by a “nonoperational” holding company. Thus, a mutual could not affiliate with a bank or thrift should H.R. 10 pass in its current form. As a result, the law could prompt mutuals that have no interest in demutualizing to convert to stock form or form a mutual holding company.

State vs Federal Regulation

Moderator Bailey has long believed, he said, in the inherent superiority of state insurance regulation. Insurance is the “paymaster of the tort system,” Bailey asserted, and our tort system is “state-created, state-enforced and state-interpreted.” He added that people’s attitudes toward liability in a legal setting vary from state to state, and those differences are reflected in the state laws and regulations in place throughout our country. He wonders, however, if such assumptions continue to make sense in today’s marketplace and whether

it’s time to seriously consider a dual system, whereby insurers are permitted to choose between competing federal and state systems.

Dutcher described a dual system as the worst of all regulatory alternatives, creating differing standards for solvency, rates and form regulation. National regulation, he offered, tends to be more of a promoter of the industry than state regulation, and not as strict a regulator. He cited the savings & loan crisis as proof that the federal government can be more interested in attracting licensees than



establishing firm regulatory standards.

Angoff, on the other hand, did not so readily dismiss the dual system idea and warned against a knee-jerk reaction from state regulators. He does not, he said, believe one system is inherently better than the other. Blumer countered that we now have dual regulation in certain lines, “if you want to call what the feds do with ERISA regulation.”

Y2K

Blumer predicted Y2K may become the media’s favorite topic as we approach the end of the century. He said that insurance departments must consider how well they’re prepared for Y2K, how well insurers are prepared and whether insurance companies are properly excluding and includ-

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Commissioners assess state of regulation

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ing Y2K provisions in their liability policies. Dutcher felt that when the dust settles from Y2K, the courts will be looking at a wide range of potentially liable parties. Such determinations are likely, he said, to mirror how the courts have interpreted environmental liability over the past two decades.

Managed Care

Next up was every insurance consumer's favorite topic (or so it seems), managed care. Bailey asked if the hype surrounding the introduction of a patients' bill of rights is in response to severe shortcomings in the managed care approach or a "solution looking for a problem." Panelists were generally supportive of the HMO concept, but agreed fine tuning was necessary. Commissioner Dutcher acknowledged that HMOs and their corporate parents have subsidized rates for Illinois residents in an attempt to maintain or increase market share. Rates in Illinois will go up, he said, but not at the double-digit levels some states are experiencing.

Director Angoff said he believes our current private-sector, HMO-dominated system has worked far better than any other to bring medical costs under control, but added that perhaps it got "too tough, too fast." It's ironic, Angoff said, that no group fought as hard as doctors to oppose a national system of health insurance. Now those same doctors find themselves dealing with HMOs that are slashing physician incomes far more dramatically than any federal system would have.

Workers Compensation

Shifting gears to the world of workers compen-

sation, Angoff said he could have done nothing in Missouri and workers' compensation rates would have declined in that state due to "a lot of luck and national trends." Rates came down farther in Missouri than national trends indicated because of

the competitive bidding system he introduced to the Department residual workers' compensation market, an achievement he considers the hallmark of his administration. All three panelists dismissed 24-hour coverage proposals (i.e., combining health and workers compensation) as, in Blumer's words, "an interesting myth."

A Final Thought

Can a time-tested state regulatory structure adapt to today's rapidly evolving mar-

ketplace? That's the central question these Midwestern commissioners grappled with as they discussed the regulatory issues of the day at this year's opening session. It's also the main question on every thinking regulator's mind. Although no immediate answers were forthcoming at this year's session, most CDS participants left a little better prepared to deal with the question. ■



With tongue in cheek, Director Angoff said that mutual insurance company executives "are absolute paupers, are destitute, are impoverished compared to . . . the people who run stock companies. And if you don't think that this is part of what's driving the mutual holding company movement, I believe that you're mistaken."



IRES CDS: Next Up

- 1999 — Las Vegas. Aug. 1-3 Bally's
- 2000 — New Orleans. July 30-Aug. 1 Hyatt Regency
- 2001 — Baltimore. Aug. 6-8 Hyatt Regency Inner Harbor

C.E. News

Updates and other tidbits from the National IRES Continuing Education program, the CE program for persons holding AIE and CIE designations.

√ By now, all IRES members with an AIE or CIE designation should have received the NICE Manual Update. Please notify the CE Office if you did not receive your copy.

√ Fifteen (15) CE hours for attending the Annual Career Development Seminar in Oak Brook have now been issued to attendees holding a designation. This will be reflected on your annual transcript sent with the IRES dues notices in January. If you miss the deadline of October 1, 1998 for reporting your CE hours, you will be notified within approximately thirty (30) days that "the registration of your designation with IRES has been suspended". To be reinstated, you must certify that all your past CE hour requirements have been met and pay a \$60.00 reinstatement fee.

√ The new annual 15 hour reporting program, effective September 1, 1998 to September 1, 1999, requires that a proof of attendance certificate accompany your NICE Annual Compliance Report Form. If the certificates are not available, any reasonable proof of completion is sufficient. Also, credit will not automatically be given for attending local or state chapter meetings of any insurance group unless written documentation is submitted with the NICE compliance reporting form clearly indicating that qualified insurance CE was presented at such meeting.

N I

Next month in *The Regulator:*

√ How to avoid
a 'bad market
conduct' report
from a New York
view

√ Avoiding
market conduct
pitfalls from a
consultant's view

√ . . .and more!

THE SIGNS OF EXCELLENCE

CIE·AIE

Congratulations, new IRES designees!

OAK BROOK, ILL — IRES members who received their AIE or CIE designations this past year were honored during the annual meeting last month in Oak Brook, Ill. They couldn't all attend for the group photos, but here they are:

THE 1997-98 CLASS OF AIEs HONORED AT THE 1998 CDS: Jackie Ballato, VA; John W. Beers, OK; Carol A. Bondy, ME; Ralph W. Burnham, PA; Jacqueline K. Cunningham, VA; Perry L. DiCasteri, DE; Dave Drynan, MT; Trent Emig, OH; Richard E. Fehrenbacher, IL; Linda G. Fox, VA; Vivian Frederic, SC; Douglas A. Freeman, MO; Lillian N. Harrison, SC; Coit C. Holbrook, TN; David L. How, KY; Glenn R. Jordon, NV; Melvin V. Mohs, AZ; Victor Mukherjee, NY; Ellen L. Navolio, KY; Michelle L.

Newell, FL; Daniel A. Plain, VA; Mitch Rayborn, MS; Carol Roy, MT; William D. Schneider, MO; Carla A. Strauch, WI; Robin E.; Waters, AIE, CO; Lloyd B. Wilder, WY; Frederick D. Wythe, SC; William J. Young, IL



The new AIE designees

**THE NEW CIEs HONORED
AT THE CDS:**

Robert B. Baker, OH; Paul J. Bicica, VT; Marianne M. Chillas, Multi-state; Peter H. Conover, CT; Wayne B. Cotter, NY; James J. Daughan, FL; William L. Doolittle, TX; Angela K. Ford, NC; W. Braden Garrett, OH; Jay E. Hodges, NM; Jack Kirkland, NV; Don R. Koelker, CO; Gerald B. Lyons, Multi-state; Robert A. McCullough, KY; Joan M. Mulligan, MD; Lisa A. Stimson, Multi-state; Larry A. Wieties, IL; Shirley H. Williams, NC; Stephen R. Zellich, FL



The new CIE designees



What was that soccer ball doing at the CDS last month? See p.4



BULLETIN BOARD

✓ **CDS Lost & Found** Someone left behind a pair of prescription eyeglasses in Oak Brook, as well as a date book labeled, "Preventive Medical Associate." If these are yours, give us a call at 913-768-4700.

✓ **Welcome** to these new IRES regulator members: Marcia Brejda, AIE, Ok; Kathryn E. Davis, ME; Jeffrey Denman, LA; Randolph L. Gray, FL; Thomas A. Jarvis, CO; Charles K. Johnson, NC; Bernie Kendrick, LA; Russell Kennel, OR; George J. Lazur, WA; James W. Malcolm, Jr, KY; Patricia McCarter, OR; Nancy A. Nevins, OR; Scott D. Plum, VA; Darlene Singlemann, NY; Jackie M. Smith, AR; Thomas M. Turner, MD.

Thanks, NAIC!!!

Thanks to the NAIC, and staff members Lisa Ney and Michael Press in particular, for running the special information systems training classes during our Career Development Seminar in Chicago last month. We got many comments from regulator members who were grateful for this training opportunity. And thanks to John Mancini, NAIC market affairs chief, for all the assistance he provides every year to our CDS and to our Society in general.