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INSURANCE REGULATORY EXAMINERS SOCIETY

Bruce Ramge

First IRES President to Become Insurance Commissioner

by Douglas A. Freeman, CIE, MCM

To honor Bruce Ramge's appointment as director of the Nebraska Department of Insurance (NDOI) by Nebraska Governor Dave Heineman on November 15, 2010, and to highlight the fact that he is the first IRES president to become an insurance commissioner, this article is a compilation of comments received from regulators, insurance industry representatives, lawyers, and others who know Bruce well. More than a dozen people responded to a variety of questions. In addition, Bruce and his wife Mary Anne were interviewed.

According to Bruce's wife, Mary Anne, Bruce was asked years ago to describe himself in one word during a seminar. His response: "Dad." Bruce's commitment to being a father meant that Bruce would prepare himself for this important role and would enjoy becoming a Boy Scout cub master, camper, cross country skier, and emergency care outdoorsman to teach and share in his sons' growth from kids to successful young adults. (Both Nick and Philip are Eagle Scouts.) It is this same determination, preparation, and quiet, strong leadership that has enabled Bruce to rise through the ranks to become Nebraska's top insurance regulator. According to Missouri Insurance Director John Huff, Bruce "will be a very effective Commissioner."

While not our dad, for those who already know him well, Bruce still prefers being called "Bruce" rather than "Director" or "Commissioner." And that typifies Bruce through and through. As former NDOI colleague and current Physicians Mutual Special Services representative Michelle Muirhead summed up, "As a boss, [Bruce] clearly humbles himself and exalts others."

Bruce: The early years in Nebraska and with IRES

Bruce started out his career as a claims examiner. He then became a financial analyst after finishing an MBA degree from the University of Nebraska at Omaha in 1982. (In fact, it was in one of those master's courses that Bruce and Mary Anne met.) Having just completed his MBA, Bruce realized he was "not keen on the idea of going back to college for more math" in order to obtain actuarial certification. Instead, Bruce spotted an opening at the NDOI, applied, and was hired in September of 1984 as a market conduct examiner.

Bruce's interest and involvement with IRES began while working at the NDOI for Tom Reents, who was one of IRES' founding members and its first president. "My interest in IRES came during the very start of the organization [in 1987]," Bruce recalled.

Starting with such things as keeping records for IRES at Tom's request, Bruce eventually became IRES president in 2003-2004. Bruce also received the 2007 IRES Foundation Paul L. DeAngelo Memorial Teaching Award and the 2007 IRES Al Greer Award. (The Paul L. DeAngelo Memorial Teaching Award is awarded annually in memory of Mr. DeAngelo to honor an insurance regulator or former regulator who has distinguished himself

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2011 IRES Career Development Seminar

Come join us in Minneapolis, the "Star of the North," July 31 through August 2.

Read more about it in this issue's center spread.

On behalf of the president, past presidents, members, and IRES staff, we would like to express our sincere appreciation to

Wayne Cotter

for all of his years of service as editor of *The Regulator*. He was a driving force and will be missed. We wish Wayne all the best in his future endeavors.

To Become Different

A Letter from the President

by Leslie A. Krier, AIE

Change. It's a really simple word that means (according to Webster) "to make different in a particular way. To alter, transform or give new direction. To become different, to pass from one phase to another or to undergo transition."

Well, IRES just made the biggest change of its 24 years! In mid-2010, the board of directors authorized the executive committee to put our management company contract up for bid. The RFP we sent out in June resulted in 20 proposals coming to us for consideration. Last October, we signed a three-year management contract with Nonprofit Solutions of St. Paul ("NS"). Transition began immediately and, as of January 2011, our operations are now headquartered at NS.

Those of us that have worked through transition with NS are getting used to a new way of doing business. We are still in that initial phase of applying the old ways to the new process and have made a couple of stumbles but, for the most part, things are moving smoothly ahead. It's exciting to have someone look at our organization through new eyes and make suggestions about how we can improve.

But, as exciting as it is to move forward, it's also very sad to leave behind our relationship with the Chartrand Group. If it wasn't for them, there wouldn't be an IRES, and we owe them a huge round of thanks for everything they've done for us over the years. I would just like to recognize David, Susan, Elaine, Art, and Joy here and tell you how much you will be missed. You've been supporting us for so many years. But it's your turn now to move on to new and exciting endeavors. Best of luck to all of you as you move down your new roads.

I'd also like to thank some of our members who've spent countless hours making sure the transition went smoothly. They were successful in this mission and deserve special recognition. Thanks to Lee Backus, Holly Blanchard, Angela Ford, Doug Freeman, Jann Goodpaster, Katie Johnson, Gary Kimball, Jo LeDuc, Doug Pennington, and Parker Stevens. Without all your hard work, we'd still be at the start line instead of well past the finish line today.

And I'd like to say welcome to our new management company, who have also spent a great deal of time working with us to ensure a smooth transition. Maria Huntley, Wyn Douglas, Aimee Sandy, and Jason McGraw have worked tirelessly with our volunteers to "make it happen."

Thanks to our membership for putting up with a couple of glitches over the last few weeks, as well. We hope that the changes you'll see over the next few weeks overshadow any problems you've experienced recently. Since we're finally moving away from being consumed by the transition, we're looking forward to concentrating on the business of IRES for the rest of the year.

Just a few reminders:

- It's dues renewal time for the general membership. No late fees until mid-April. Check out the members' section of the website for further details.
- We're also looking for people to run for the board of directors, and now is the time to nominate yourself or someone else. Information about how to nominate someone is on the website.
- Tuesday, August 1st, at this year's CDS will be IRES Pride Day. Wear your IRES gear! You can buy the latest items at the IRES store. The home page of the website has a link. Watch for monthly specials!

As always, if you have suggestions or comments about how to make IRES more relevant to your needs, I'd like to hear from you. ■

Leslie A. Krier, AIE, is president of IRES and can be reached at lesliek@oic.wa.gov.

Thank You, Chartrand Communications

IRES's First Management Company

by Stephen E. King, CIE, MCM

Chartrand Communications was IRES' first management company, from IRES' inception in 1987 until December 31, 2010. During those 23 years, David and Art Chartrand (and their father Art Sr., who passed away in June 2004), Susan Morrison, Joy Moore, Elaine Bickel, and the late Scott Hoober were the heart and soul of the IRES family business. While there is no way to adequately convey IRES' gratitude for their service and dedication to this Society, IRES does want to recognize their efforts, professionalism, and passion. The following are personal reflections of one of IRES' past presidents and long-time members, Stephen E. King, on the vital role Chartrand Communications played during IRES' creation, growth, and maturity. For more details on IRES' history and Chartrand Communications' crucial role in it, please review The Regulator's *20th Anniversary May 2007 edition at http://www.go-ires.org/documents/members/secureDocuments/regulator/2007-05.pdf.*

When did I meet David Chartrand? I really don't recall exactly, although I know it was in the late 1980s. What I do know is, in the early days of IRES, David and the "big dogs" at that time and some of the founding members of IRES (Tom Reents, Brad Connor, Dick Rogers, etc.) were pretty busy working out the administrative details that would dictate how IRES would function going forward. The fact that David possessed such great organizational skills, complemented by his attention to detail, helped make a very "young" organization immediately viable.

I honestly do not recall when I met Art Chartrand, either. I do remember that he was an active advocate of IRES early on, as well. I recollect that, in 1994, we were directed by then IRES President Gary Domer and the executive committee to develop and bring to fruition a continuing

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or herself in the field of insurance education and training. The Al Greer Achievement Award is presented annually to an insurance regulator and IRES member who not only embodies the dedication, knowledge, and tenacity of a professional regulator, but who exceeds those standards.)

Bruce remembered, "My fondest memories during that year [as IRES president] were learning how much support and dedication existed among fellow officers and regulators. I was also very pleased to present the President's Award to Gary Domer."

Gary—a very active IRES past president, former Kansas Insurance Department employee, and current manager of the Kansas Automobile Insurance Plan—worked with Bruce for years on many IRES and NAIC committees. Mused Gary, "When I think of Bruce… he was always there when you needed him and, in the heat of a debate on a particular issue, you could always count on Bruce to remain cool and calm and be the one to come up with the best solution."

Jann Goodpaster, another IRES past president, former Oregon Insurance Division chief examiner, and current director with the independent contracting firm RSM McGladrey, echoed Gary's comments. "Throughout the 15+ years I have known Bruce, his name is always mentioned whenever there is a job that needs a cool steady hand and lots of insurance expertise."

Jann's RSM McGladrey's colleague, Kirk Yeager (also an IRES past president), first met Bruce when Bruce began as an examiner with the NDOI, where Kirk was working at the time. Kirk recollected, "We discovered quickly that Bruce truly was one of those great guys who never had a hidden agenda and enjoyed coming to work each day. He was a great addition to the team… now he is the leader."

Added Fred Kottmann, market conduct manager for Mutual of Omaha, "Bruce always looks to do the right thing and has the ability to see multiple sides of issues… I have seen him numerous times offer alternatives to a problem with the goal of consensus."

In response to an inquiry about what IRES experiences will help him in his new role as the NDOI director, Bruce stated, "Being an officer of IRES really helped me learn the importance of listening to and considering varying viewpoints on issues. It's not always possible to build a 100% consensus on every issue, but listening to others' points of view never hurts. Seeking expertise from those who are experienced, such as from the [IRES] Past Presidents Council, was also a good experience."

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education (CE) program, which was to incorporate a mandatory reporting component and was not popular with a number of the IRES membership. Gary W. Meyer (eventual IRES president in 1998-99), Art, myself, and yes, even Gary, began developing the program. During this process, however, and without question, Art was the main force in organizing and "driving" this CE effort.

Since the late 1990s, the entire IRES "crew" has been close to our family, especially our children, Molly and Zachary. In fact, for a number of years, in an effort to keep our children occupied, we (my wife and I) continued to owe a debt of gratitude to Susan, Elaine, and Joy. They single-handedly took it upon themselves to provide jobs for our kids (without reimbursement) to ensure they were gainfully employed during the various CDSs. And, as I reflect back, I'm not so sure they enjoyed the children as much as they let on!

I believe anyone who has been with the IRES organization for any length of time (say, 10, 15, 20 years or more—anyone over 13 years gets the "old dog" tag!) will tell you that David and Chartrand Communications were the face of the Society. From my perspective, when you are associated with an organization that you helped build, that is one of the most sincere forms of flattery you can receive. Without the leadership and guidance of our David in his role as executive director/secretary, this Society may have floundered, especially during the early times, and not enjoy the success it does today.

As many of you know, David writes—from books to various articles (published locally and nationally) and God knows what else! To this day, I carry around a *Wall Street Journal* article written by David, entitled, "A Father's Letter to Santa." I read it from time to time; it's good for the soul.

You see, David had to put up with me more than most. I was "almost" an IRES president in 1998, but had the good fortune to be selected again once I returned to the public sector. I am sure David has used his writing skills to relieve the stress from time to time.

The King family considers David and Art Chartrand and "crew" good friends. We will fondly remember Susan, Elaine, and Joy, and still reminisce about each time we brought our kids down to work at the CDS. I suspect we will likely see some of the Chartrand Communications staff—hopefully sooner rather than later.

At the next CDS, I know one thing: We will miss David, Susan, Art, Joy, and Elaine!

Stephen E. King is currently director of new business for Medico Insurance Company in Omaha. He can be reached at sking@gomedico.com.

Bruce has lived by these words. Many who know Bruce rave about what a good listener he is. For instance, Zenith Insurance Company vice president and assistant general counsel of regulatory affairs Bennett Katz, who is also chairman of the IRES Foundation, shared, "Bruce has always been quite approachable. He listens and never dismisses anything outright."

Michelle agreed. "Bruce is a great listener. He will listen to both sides of an issue and make the best decision after considering all angles of a topic."

Life in the NAIC and as an insurance commissioner

Bruce may be one of the best prepared insurance commissioners to take the helm. According to Missouri Director Huff, "Bruce has worked in the trenches for the Nebraska Department of Insurance for many years. He understands the challenges insurance regulators face; he has excellent listening skills and takes input from all parties involved in a discussion. Bruce has the advantage many commissioners don't: years of regulatory experience to help make difficult decisions."

Added NDOI Deputy Director Christine Neighbors, "Commissioners come from all walks of life and some of them have industry experience and some of them do not. Bruce, coming up the ranks within an insurance department, has a wealth of knowledge about insurance regulation, what works and what does not, and how best to work together to resolve problematic issues. He has seen a number of Nebraska Commissioners over the years deal with a variety of situations, and I am sure he will draw on what he learned from them to help him."

In fact, Bruce rose from market conduct examiner to become chief of market regulation in 1999, overseeing the efforts of various divisions within the NDOI, including the Consumer Affairs, Market Conduct, Producer Licensing, Property and Casualty, Life and Health, and Nebraska Senior Health Insurance Information Program Divisions. In January 2008, he was appointed NDOI Deputy Director until becoming director on November 15, 2010.

Moreover, Bruce has assisted various workgroups of the NAIC. He has been a member of the NAIC Market Actions Working Group (MAWG), chaired the NAIC Market Conduct Examination Standards Working Group, and is the new chair of the NAIC Title Insurance "C" Task Force.

Bruce's NDOI, NAIC, IRES, and IRES Foundation work and his speaking and teaching expertise make him "able to balance the expectations of consumers with the need for a profitable and healthy insurance climate for carriers," said Bennett.

Indeed, Stephen King, director of new business for Medico Insurance Company and a former Nebraska regulator, independent market conduct contractor, and IRES past president, who has worked with Bruce for many years, confirmed Bruce's ability to approach an issue diplomatically. "After the discussion was over, Bruce could clearly verbalize a particular opinion or position on a given subject or course of action. I have always felt that his ability to listen to arguments with an open mind, whether he agreed or disagreed, was a special asset he possessed. Bruce has never had an ego or an agenda. In fact, Bruce is always about the big picture, the organization, or the issue and never about himself," said Stephen.

Immediate IRES past president and long-time NAIC colleague Dennis Shoop, market regulation director of the independent contracting firm INS Regulatory Insurance Services, Inc. and former Pennsylvania Insurance Department chief market conduct examiner, shared, "Over the years, I have found Bruce to be a model for insurance regulators. He listens to all parties involved prior to making any decision. He is persistent in his efforts to understand the issue and to attempt to address matters that impact his department, consumers, and the industry he regulates."

> "As with any organization, you get the most from IRES by giving your time and effort."

The future for insurance regulation and IRES

So what does Bruce plan to do with all this experience in his new job? "My goal for the Nebraska Department of Insurance is to maintain an environment that values professionalism and pride in what we do as regulators. Continuing education and engagement with fellow regulators is one part of that," Bruce emphasized.

Bruce is already involved in a variety of challenges facing the NDOI and the insurance industry in 2011. "Health insurance issues will definitely be among the top challenges," noted Bruce. "Besides that, I suspect that insurers will want to keep up with the expectations and demands of their customers in a manner that ensures sound compliance and controls. Access to information and technology is rapidly changing the way we all do business."

As for the future of insurance regulation and the interplay between state and federal regulators, Bruce "foresees more open communication and discussion between state insurance regulators and federal regulators that deal with issues involving insurance, especially in regards to international issues."

As for the benefits of IRES and what IRES should focus upon in the next five years, Bruce stated, "As with any organization, you get the most from IRES by giving your time and effort. IRES offers an excellent opportunity to advance your insurance knowledge, to keep abreast of new issues,

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The Market Conduct Annual Statement Comes of Age

The New Streamlined MCAS Will Be Rolled Out April 15

by Randy A. Helder, CPCU, ARe, AU

At the 2009 NAIC Winter National Meeting, the NAIC membership approved the 2010 budget, which included the development of a single online tool for the centralized collection of the Market Conduct Annual Statement (MCAS) data at the NAIC. On April 15, 2011, the redesigned, self-contained system will become accessible to companies and regulators and will greatly simplify the MCAS process. Companies will no longer need to download a database and e-mail attachments to multiple states, while regulators will no longer need to upload submissions into their own databases and manually keep track of waiver and extension requests. The new web-based application accommodates all aspects of an MCAS filing.

Companies and regulators need to be aware of the new MCAS system. The number of states participating in MCAS has grown from 29 to 45 jurisdictions (2010 data), which opens the door to new companies that have never been required to file the MCAS and widens that door for existing companies that may have additional states in which to file. NAIC staff anticipates that about 1,800 companies will file the MCAS for one or more jurisdictions this year, resulting in more than 30,000 individual filings. The new MCAS system is designed to handle this higher data volume in an efficient and user-friendly manner.

The history

The path towards an effective and uniform market conduct data began more than nine years ago and resulted in the MCAS. The MCAS was collaboration among regulators, industry, and consumers who recognized the benefits of monitoring, benchmarking, analyzing, and regulating the market conduct of insurance companies. Through teamwork, MCAS participation increased from eight states collecting limited information to nearly all of the states collecting life, annuity, auto, and homeowners insurance information.

The very nature of market conduct data makes its collection difficult. For example, claim reserving methods can vary between companies, which affect the count of claims closed without payment. Some companies track claims by claimant, while others track claims by occurrence. In response to these types of variances, regulators created MCAS with the flexibility to allow companies to report based on their business practices. To compensate for this flexibility, ratios were developed to provide more meaningful comparisons between companies than the raw data allowed. To prevent different data definitions from one state to the next, the participating states agreed upon and published a set of common definitions organized by line of business, which were broad enough to allow the flexibility necessary in the first years of MCAS.

The U.S. General Accounting Office (GAO) reinforced the need for the MCAS when, in 2003, it issued a report titled "Insurance Regulation—Common Standards and Improved Coordination Needed to Strengthen Market Regulation." The GAO report prompted the NAIC to work toward developing processes and systems to identify, assess, and prioritize market conduct issues. While the MCAS met many of the GAO recommendations, it needed to be national in scope, uniform in the collection of data, and consistent in the interpretation of the definitions while not placing an undue burden on insurance companies.

As a result, in 2008, the NAIC adopted the position that all of the states should use MCAS, and the data should be collected and stored in a centralized national database at the NAIC. The April 15, 2011, release of the new MCAS system will accomplish the majority of these goals.

New efficiencies

The new MCAS collection tool is a web-based tool that will perform all the separate functions of the current MCAS. It will be easier to use than its predecessor and should require fewer company resources. The following comparison between the current and the new MCAS submission process illustrates the advantages of the new tool.

The current MCAS data collection tool is a Microsoft Access® database (Access). It is downloaded from the NAIC website and stored on the desktop computer of the employee responsible for the MCAS submission. The data for each state filing (currently 29 states) is collected, entered, and saved in its own separate directory on that computer. The employee copies the Certificate of Compliance wording onto company letterhead, and an officer of the company signs it. A state-specific data file and a copy of the Certificate of Compliance are e-mailed as attachments to each state. If a filing requires correcting, the employee must go through the entire process again.

In the new MCAS process, filings will still be handled at the state level. All filings, however, will be entered and managed through an online tool accessible from any computer via the NAIC website. The data may be manually inputted or uploaded into the tool. The primary organizing screen, or "Filing Matrix," will be a grid of states and lines of business for which a company may need to file. As the individual filings progress through input and submission, the matrix will reflect the latest status of each.

During the entry or upload phase of data collection, the data will be stored within the tool and accessible to authorized company users only. Once the company is comfortable with an individual filing, the company will be able to authorize the submission with the click of a button. At that point, the data will be released to the appropriate state database where it becomes available for review and analysis by state regulators and NAIC staff.

The former Certificate of Compliance document is now replaced with an electronic attestation. By clicking a box on the "Attestation" page, the authorized company representative will be attesting that any information provided is complete and accurate. The attestation is completed once per reporting period and will apply to all original filings and re-filings in all states for the filing period.

Even re-filings will be simpler. Currently, if there is a reporting error, a completely new filing needs to be entered in the Access database and sent back to the state requiring the correction. Once a state regulator receives the corrected filing, it must be uploaded it into an Access database of all company submissions. With the new MCAS tool, the company need only make the relevant change to the submitted data, click "submit," and the re-filing will be forwarded to the state database.

After a submission is validated, processed, and stored in the state database, the new MCAS system will generate a set of company ratios for each filed line of business. A "Company Ratio Report" will be available through the online tool, where it will display the company's ratios by chosen state and line of business. When the state scorecards are released each fall showing the aggregated statewide ratios, companies will then be able to compare their own ratios to the state scorecard ratios.

Under the current MCAS process, if a company needs an extension to file, it has to contact the state and request the extension. If the company owes filings to multiple states, the company has to negotiate an extension with each state separately. Beginning in April, the company can request extensions or waivers via the MCAS submission tool. Each state's response and comments will be displayed on the request detail screen, and a state's approval will be reflected on the Filing Matrix. While state insurance regulators may only approve or deny requests for their state, they will also be able to view the waiver and extension activity a company is pursuing in other states.

The new MCAS system will also free regulators from spending hours loading company data into their state databases; validating the accuracy of the data; reviewing, approving, and manually tracking waiver and extension requests; and preparing scorecards. With these tasks performed by the new MCAS tool, regulators will be able to focus on the most important part of their job: analyzing the data. Even analysis will be enhanced via the new MCAS system through new, dynamic regulator reports generated as MCAS data is submitted from companies.

National data

This year, 45 jurisdictions are collecting and reporting MCAS data for 2010. These participating states are bound by a global sharing agreement that allows them to share company information with each other, while maintaining the confidentiality of the data. Because the data for each state resides in a state database at the NAIC, this long-standing sharing agreement makes it possible to perform analysis on a national basis.

For the past two years, the states forwarded their data to the NAIC for analysis, where work was begun to develop a national perspective of the data. For example, regulators can now determine the median industry ratios by state or by region or on a national level, as well. Knowing the median scores for the past two years, regulators have begun to trend the results from one year to the next. In addition, working with a greater number of companies allows analysis by categories too small to be credible on a state scale, such as by premium size or by type of organizational structure (i.e., mutual vs. stock).

Knowledge gained in working with data from the past two years is translating into specialized reports for regulators. The company-specific reports will provide the data elements and ratios for each company over a range of geographical choices. Another report that will be generated includes

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to develop a network of colleagues and acquaintances, and, for those that get involved, a chance to develop leadership skills. I believe IRES should continue to focus on its core principles and also to find ways to reach more regulators by expanding its focus areas and through such methods as webinars and online training."

So is Bruce really an angel in our midst? NDOI Life and Health Administrator Holly Blanchard said, "Many people don't realize how actively involved in his community Bruce is. In one of those leadership roles, he and his wife Mary Anne wrote and directed many murder mystery dinner theatres as a fundraiser for the Joslyn Castle Trust." The Joslyn Castle Trust is an Omaha landmark that perpetuates the goals of Sarah Joslyn to educate and enhance the cultural aspects of the Omaha community.

NDOI's Karen Dyke, who has worked directly for Bruce as a market conduct examiner and now as a Consumer Affairs Division investigator, commented, "Bruce's character shows in his dedication and leadership throughout his career and in his personal life. Also in his sense of humor, his willingness to take on more responsibilities, his dependability, his extensive knowledge and wide range of interests [and hobbies]… and his friendliness to everyone."

But stay on your toes. Christine Neighbors claimed, "Bruce is not only knowledgeable, hardworking, and helpful, but he has a wicked sense of humor."

As Dennis has said, and everyone agrees, "The world needs more Bruces." ■

Douglas A. Freeman is chair of the IRES Past Presidents Council and can be reached at douglas.freeman@snrdenton.com.

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side-by-side comparisons of all the data elements collected in MCAS for all the companies, as well as company rankings based on how their MCAS ratios compare to another. Quick identification of outliers gets in-depth analysis underway sooner.

The new centralized MCAS system will be a powerful analytical tool for market conduct regulators.

Summary reports will aggregate all data from all companies on a national, regional, and state basis. These reports will help identify industry trends and norms. Individual companies can be compared to these trends and norms. The industry trends will then yield information about the effects of regional variations on market conduct; for example, the effects of a hurricane on homeowners insurance in the Southeast or an earthquake in the West.

With this large amount of data available in one location for the first time, it is anticipated that regulators will conceive of many creative ways to analyze it. The state databases will allow authorized regulators in an MCAS participating jurisdiction to run ad-hoc queries against the centralized data collection. This ad-hoc querying ability alone will make the new MCAS system a powerful analytical tool.

Uniformity

To fully realize the analytical potential of the MCAS system, it is critical that data is uniform and consistent—not just from company to company, but from state to state and year to year—for aggregation and analysis. With the new MCAS system, no longer will the data just be provided to one state for the state to use for its own purposes; instead, the data of one state will be aggregated with the data of other participating states and shared for analysis.

The primary oversight for ensuring uniformity is the NAIC's Market Analysis Procedures (D) Working Group (MAP). Last summer, MAP met with company representatives to discuss changes to the data elements and definitions. All parties agreed that the definitions need to be tightened and the flexibility in data reporting should diminish. An example of this is MAP's decision that all companies must report claims information only on a "claimant" basis beginning 2012.

The new MCAS tool will perform standardized data validation and data quality testing as each company's data funnels through the centralized application into the state databases. Any submission with clear errors (e.g., more claims closed than pending and received during the period) will be returned to the company and will not be submitted. Submissions with unusual data (e.g., more claims closed without payment than with payment) will be accepted, but noted with a warning to the company and regulators that there might be an error. Companies with questions concerning the data to be reported should contact NAIC staff.

Going forward

Both industry and regulators should expect many changes as the MCAS process moves forward. The new centralized MCAS system will be a powerful analytical tool for market conduct regulators and will be on par with the financial annual statement used by financial regulators. As MCAS collects more data elements over more lines of business in more states, new techniques will be developed to analyze the data that will allow regulators to focus their resources on companies needing closer attention. Rather than reacting, regulators can be increasingly proactive.

The NAIC is ready to help with the transition to the new MCAS system. Online and classroom training opportunities are under development. For companies, webinars with live interaction are scheduled from April through June 2011. These webinars will cover use of the new MCAS tool, data element descriptions, and what is expected in a submission. More information about the webinars can be found at http://education.naic.org.

At the 2011 NAIC/NIPR E-Reg Conference (May 1–4, 2011), the Market Regulation Exchange Sessions will be dedicated to the MCAS. Topics include the history, the new tool, upcoming changes, and the future of MCAS. More information about E-Reg can be found at http://ereg.naic.org.

For regulators, a series of webinars and on-site training is available throughout 2011. NAIC staff and regulators from each of the NAIC zones will provide training on how to manage and analyze MCAS data. These training courses are slated for Baltimore in July, Minneapolis in August (in conjunction with the IRES Career Development Seminar), Orlando in September (in conjunction with the Association of Insurance Compliance Professionals' 2011 Annual Conference), and Denver in October. More information can be found on the NAIC Education and Training Department's webpage at http://education.naic.org.

Extensive time and effort has been put into the new MCAS tool to balance the needs of the regulators with the constraints found within companies. The result of this time and effort will pay off in a new and improved MCAS that will provide regulators with uniform, national data and provide companies with a more efficient way to submit their data. Through the cooperation of NAIC working groups and industry, the MCAS will continue to grow and promises to be the backbone of market analysis. As always, the NAIC welcomes questions. Please address your questions to mcas@naic.org. ■

Randy A. Helder, CPCU, ARe, AU, is the market analysis manager at the NAIC. He has more than 20 years of experience in the insurance industry working in claims, underwriting and reinsurance.

The History of Market Regulation Accreditation

by Jann Goodpaster, AIE, CIE

In 1992, I joined the Oregon Insurance Division as a market conduct examiner. I was told that the financial examination process had recently implemented an accreditation and standardization process through the NAIC and that the market conduct accreditation would be coming shortly. As a result, I rushed through my IRES exams to obtain the AIE and CIE certifications to be ready for the market conduct accreditation process.

Three years later, market conduct accreditation appeared to completely fall off the radar. No one person seemed to have an explanation for why market conduct accreditation disappeared. At the time, the prevailing theory was reluctance on the part of regulators who had just dealt with state legislators to enact financial accreditation laws. Many regulators felt their legislature would not be open to another round of changes. Other regulators active at the time recall that there was not an apparent champion for market conduct accreditation. While many stakeholders were interested in an accreditation process, no one person emerged as the clear leader of the movement.

My own involvement in the process began when my then Oregon Insurance Division administrator, Joel Ario, chaired the Market Conduct ("D") Committee (now known as the Market Regulation and Consumer Affairs (D) Committee, or D Committee). Industry was interested in regulators coordinating market conduct examinations and decreasing the number of ongoing examinations. Some companies found themselves being examined by numerous jurisdictions in the same year.

But the challenges of market conduct accreditation in the late 1990s were numerous.

- Financial accreditation had the advantage of being based on measurable objectives. Market conduct was primarily the reconciliation of the industry practices to the laws of each state. The platform on which most states based their market conduct action was their state specific laws. While the laws were typically based on NAIC model laws, the similarities ended there. Even when state laws shared common language, the interpretation and approach varied from state to state. Without common standards, accreditation was going to be difficult to accomplish.
- Market conduct techniques were not uniform from state to state and market conduct programs "grew up" without much oversight. Anyone who attended the D Committee meetings regarding the then Market Conduct Handbook (now the Market Regulation Handbook) has heard the words "it is just a guide." While there were many great programs in the various states, every state developed its program as it deemed best. The Handbook was used as a starting point but, as states' market conduct programs grew, every state developed its own unique market conduct program. Many regulators supported the concept of market conduct regulation but wanted it modeled after their particular program. Consensus among regulators was difficult to achieve.
- Industry overall supported the idea of a process that would reduce the number of examinations but were resistant to some of the procedural steps to achieve a program.
- Domestic deference was perhaps one of the chief issues. Solvency is solvency in every state. Market conduct varied from state to state. The largest insurer in a state was not necessarily a domestic. Regulators were concerned, however, that other states could not appropriately interpret and measure compliance with their laws.

Some of these challenges still hold true today.

The D Committee responded by attempting a number of transitional steps. The first step was for uniform data call fields. Once the industry started working with the standardized information and format, they discovered its benefits and embraced the practice.

Second, the Uniformity Committee was formed to promote uniform procedures throughout the states. Emphasis was placed on each state adopting a similar program—but how it implemented the program was left entirely to the state. There was no oversight, and each state was allowed to self certify that it was in compliance. The program appeared to be a good start towards accreditation but in reality had little impact.

The Market Conduct Analysis Committee was then formed. Its primary goal was (and still is) to analyze standardized information provided by the industry to identify potential problems at an early point. Initially, the plan called for using information that most insurance companies already maintain. In addition, standardized fields were developed to supplement the initial information. Later, regulators added the concept of the Continuum to the Market Analysis concept. Many states have adopted the market conduct analysis and Continuum procedures, partly in an attempt to mitigate the number of market conduct examinations.

The regulators also established the Market Analysis Working Group to review problem companies or nationally significant issues. The result has been the initiation of several multi-state examinations.

Despite the efforts of regulators to work towards accreditation, the industry was looking for more robust results. The ears of federal legislators picked up the rumbling, and the Government Accounting Office ("GAO") investigated the states' market regulation of the insurance industry. The GAO's report commended states on various functions but essentially found it lacking in overall regulation.

At approximately the same time, the National Council of Insurance Legislators

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Minnesota: Star of the North

by Kelli M. Winter-Strom and William Pitt, Travelers

This year's IRES Career Development Seminar (CDS) will be held at the Minneapolis Hilton, July 31 through August 2. Minnesota, America's Star of the North, offers a friendly environment and a rich cultural heritage. Our lakes, rivers, and forests offer almost unlimited outdoor opportunities.

After you drop your bags off in your hotel, catch the light rail from downtown for a quick ride to the **Mall of America**. The Mall of America (MOA) is one of the busiest tourist attractions in the country, with more than 40 million visitors a year. With more than 500 stores, indoor amusement park, underwater aquarium, and dining for any taste, the MOA is worth visiting. And there's no sales tax on clothing in Minnesota![1]

If you're not inclined to shop, then hit the streets. Minnesota's long winters give way to pleasant summers with lots of sunshine. Average temperatures in late July and early August typically range in the 70s to 80s. Minneapolis has a vibrant downtown with shops, restaurants, and entertainment. If you're looking for unique dining, consider visiting **Eat Street**, which hosts more than two dozen restaurants along Nicollet Avenue between 22nd and 29th Streets.

Minneapolis offers 23 art centers within five miles of downtown. The **Walker Art Center** is a must see. The center holds an "internationally acclaimed collection of modern and contemporary visual art with over 11,000 works." If you're looking for an outdoor activity, consider the **Minneapolis Sculpture Garden**, which is located across the street from the Walker Art Center. The eleven-acre garden is a joint project of the Walker Art Center and the Minneapolis Park Board.[2]

There are more than 30 theaters in the Minneapolis area with a variety of shows that will suit almost every taste. The star of Minnesota's theater scene is **The Guthrie**, "America's largest regional theater." The Guthrie is housed in a new facility featuring three stages, a full-service restaurant with pre-show dining, and some of the best views of the Minneapolis skyline. *H.M.S. Pinafore* and *God of Carnage* will both be in production during the conference.[3]

For animal lovers, the **Minnesota Zoo** has "cutting-edge exhibits that provide exciting experiences with animals and their habitats." The zoo features animals from around the globe. The Minnesota Zoo is located just a few miles south of the Mall of America on Interstate 35.[4]

King Tut will be at the **Science Museum of Minnesota**. The exhibit, *Tutankhamun: The Golden King and the Great Pharaohs*, includes "100 authentic artifacts from 3,000 years ago." "Learn about life, religion, and funeral practices during the time of the Pharaohs." The Science Museum is located in St. Paul—a short drive from Minneapolis. Tickets are required. This exhibit has sold out in other cities, so order your tickets early.[5]

Como Zoo & Marjorie McNeely Conservatory is located in St. Paul, just a short drive from Minneapolis. Como Zoo features "indoor and outdoor exhibits, including large cats, primates, polar bears, and aquatic animals." "The Marjorie McNeely Conservatory has permanent tropical and changing seasonal plants and flowers."[6]

A walk in the park is a very relaxing way to spend a warm Minnesota summer evening. The **Chain of Lakes** located in downtown Minneapolis is perhaps the most unique park anywhere in the United States. You can take a walk around one of the lakes, rent a canoe, or visit the Bird Sanctuary, Rose Gardens, and Peace Gardens near Lake Harriet. If you're lucky, there will be live music at the Lake Harriet Bandshell. The Chain of Lakes is located just a few miles from the Hilton.[7] ■

For more information about acitivites in Minnesota, please visit ExploreMinnesota.com or Minneapolis.org.

[1] Information about the Mall of America provided by MallofAmerica.com
[2] Information about the Walker Art Center and Minneapolis Sculpture Garden provided by www.walkerart.org
[3] Information about The Guthrie provided by www.guthrietheater.org
[4] Information about the Minnesota Zoo provided by www.mnzoo.com
[5] Information about the King Tut exhibit provided by www.smm.org
[6] Information about the Como Zoo and Conservatory provided by www.comozooconservatory.org
[7] Information about the Chain of Lakes provided by www.minneapolisparks.org/grandrounds/dist_CL.htm

2011 IRES Career Development Seminar

MINNEAPOLIS, MN • HILTON • JULY 31 - AUGUST 2

Schedule

Sunday, July 31

10:00–11:00AM .... MCM Subcommittee
12:00–2:00PM .... Executive Committee
2:00–5:30PM .... Registration Desk Opens
2:00–3:00PM .... Section Chair Meeting
2:00–4:00PM .... State Chair Meeting
4:00–5:30PM .... Board Meeting
6:00–8:00PM .... Welcome Reception

Monday, August 1

8:00–8:45AM .... Opening Session and Welcome to New AIE/CIE/MCM Designees
9:00–10:15AM .... General Session: Federal Regulation
10:30–11:45AM .... Breakout Sessions
12:00–1:30PM .... Lunch – President's Remarks – Awards
1:30–2:45PM .... Breakout Sessions
3:00–5:00PM .... General Session: Healthcare/PPACA

Tuesday, August 2

8:30–10:00AM .... General Session: Commissioners' Round Table
10:30AM–12:00PM.. Breakout Sessions
12:00–1:30PM .... Lunch – Presidents' Remarks – Awards
1:30–3:00PM .... Breakout Sessions
3:00PM .... Certificates Handed Out
2:00–3:00PM .... Section Chair Meeting
4:00–5:30PM .... Board Meeting
6:00PM .... Appreciation Dinner

Wednesday, August 3

NAIC Midwestern Zone MCAS Training (all state regulators are welcome)

Sponsors

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2011 IRES Career Development Seminar

MINNEAPOLIS, MN • HILTON • JULY 31 - AUGUST 2

TRACK	MONDAY, 10:30–11:45AM	MONDAY, 1:30–2:45PM
MARKET REGULATION	**Understanding Annual Statements** This session will answer questions about the Annual Statements, including what needs to be submitted, what is reviewed by regulators, and what the information means to everyone.	**Being the EIC, You Are the Examiner in Charge. Now What?** A panel of experts will explain the EIC job duties, tricks to make the job easier, and how to keep an exam on target with obstacles that you may run into. This is a perfect session for current EICs, future EICs, and company compliance personnel who interact with the EICs.
CONSUMER SERVICES	**The Interstate Compact—Are You a Part of It?** Panel discussion on the role the Interstate Insurance Compact has in shaping insurance products. What is it, how does it work, and who is currently a part of it?	**Federal Health Care Reform and the Consumer Assistance Grants Status Update** How are states using the funds? How are call centers affected by the increase in calls? Attend this session to learn about the innovative ways states are using the grant funds to provide enhanced services to consumers and how states are responding to consumer questions about federal health care reform.
REGULATORY COMPLIANCE	**What Information Will/Can Regulators Share?** Regulators collect a ton of information about insurance companies and store it in various databases. Find out what regulators collect and what is/is not available for them to share with insurance companies. Better yet, find out why regulators will not share the information!	**How to Run a Less Costly and More Efficient Market Conduct Exam!** Learn from a panel of industry veterans how you can decrease both the hard costs (examiner fees, planning fees, and expenses) and the soft costs (internal administrative expenses) of market conduct exams while still providing the states with everything they need in facilitating the best outcomes for Market Conduct Exams.
LIFE AND HEALTH	**General Health: The Good, The Bad and The Truth** A panel of regulators and industry will discuss general health insurance concerns with a focus on limited health plans	**Health Care Reform: Current Coordinates** A panel of regulators will discuss: 1. “Breaking Down the Details,” including the top five changes that will have the most impact on state regulators. 2. How the reform is changing issues such as denials and policy recessions (a long-standing consumer protection problem), especially as these issues relate to short term health benefits. 3. Mental health parity (see how state statutes stacked up with the Federal Behavioral Health provisions).
PROPERTY AND CASUALTY	**Some Call It NIMA, Some Call It SLIMPACT-LITE: What’s Your Favorite Diet Drink?** Learn about requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act as they relate to the surplus lines markets. The Dodd-Frank Act has a section that dramatically changes the way in which surplus lines transactions are taxed and regulated. Join our panel of experts as they walk you through these important changes. These experts will also discuss various legislative proposals to allow states to comply with the sweeping changes required by the new Federal law.	**It’s 78° Outside. Do You Know What Your CBIS Is?** Learn about Credit-Based Insurance Scores (CBIS) and why the insurance industry believes these are important risk management tools. Discover why the personal lines property and casualty industry uses CBIS for both underwriting and pricing. Find out about the data behind CBIS and how actions you take will impact not only your CBIS but also your credit score. Understand the differences between a credit-based insurance score and a credit score. See why how crazy you drive your bank impacts the cost of driving your car.
FINANCIAL REGULATION	**IRFS/Solvency II: Like It or Not, International Accounting Standards Are Just Around The Corner** The session is an update to last year’s “Sell Out” session and hosts Thomas Hampton for a repeat performance. What has happened over the past year? How is the U.S. doing with its compliance efforts? How may the new Congress affect the process?	**Practical Considerations for Managing Coordinated Examinations** This session explores some of the practical steps that can be taken to address the unique logistical problems of conducting a multi-state coordinated examination from the perspectives of both the lead state and participating state.
INFORMATION TECHNOLOGY (SEMINAR)	**“Rubber” Meets The Road** Data encryption and data safety	**Tools in the Toolbox or Junk in the Trunk** Panel discussion on market analysis and technology
INFORMATION TECHNOLOGY (HANDS-ON) ★	**ACL** ACL beginning level—learn how ACL works! (hands-on)	**ACL** ACL beginning level—learn how ACL works! (hands-on)
IR201 ★	**IR201** This will be an intense review of the Insurance Regulation Course offered by The Institutes. Testing will be Tuesday afternoon.	**IR201** This will be an intense review of the Insurance Regulation Course offered by The Institutes. Testing will be Tuesday afternoon.

★ Preregistration is required. Participation in IT Hands-On and IR201 is limited to the first 25 attendees who sign up for each program. Contact the IRES office to preregister. Attendees for both sessions will be in their respective classes during the Tuesday morning general session.

TUESDAY, 10:30AM–12:00PM	TUESDAY, 1:30–3:00PM
The Information Is There, Isn't It? This session will be a "hands-on" training experience with the NAIC website. This will show how to find information on RIRS, I-Site, SERFF, and other NAIC databases. It is a condensed version of what is offered at the NAIC level.	**Market Conduct 20.11: The New Market Regulation** This session will be an in-depth look at performing desk audits, what market analysis does, and how exams are determined.
The Latest Buzz in Complaint Software & Technology Panel discussion on what state regulators are doing to track and maintain complaint records within their state. The discussion will include the new NYICIS system in New York, SBS from the NAIC, and others.	**Do You Know Your C-M-S When It Comes to Consumer Protection?** Hear from representatives from Centers for Medicare/Medicaid Services (CMS) and U.S. Department of HHS and the implementation of a "Marketplace Surveillance" Program designed to determine producer compliance with Medicare regulations and plan contracts. This program involves vendors who conduct unannounced "secret shopping" visits on licensed agents/producers while they are making sales presentations to seniors and others regarding Medicare Advantage Plans.
How Are You Being Targeted for Market Analysis Actions and Market Conduct Exams—and Why? Hear from a panel of state regulators what tools they use to survey their markets and learn what the reasons are for further regulatory scrutiny.	**Regulatory Modernization: Market Analysis, the Continuum, Target Exams – What Is Really Happening Out There?** Hear from a panel of industry and regulatory experts about what is really happening in the world of market regulation. Are states really embracing market analysis to determine industry outliers? If the states are employing market analysis, are they using the continuum rather than going straight to target exams? Why are there still comprehensive exams being performed? Find out what is going on out there and why!
Annuity Academy Redux: Let's Discuss the Facts A panel of regulators and industry will discuss: 1. Suitability 2. Equity indexed products 3. Stranger owned annuities	**The Exchanges: What's It All About?** State regulators will discuss the possible options of how Exchanges will affect the marketplace.
Colossal (Not Catastophic) Claims Colossus and other claims modeling software and its impact on UTPA	**Reinsurance Modernization** The Dodd-Frank Wall Street Reform and Consumer Protection Act changes the way that reinsurers are regulated in the U.S. Join our experts to learn about reinsurance, how it is used, and how the changes specified in the Dodd-Frank Reform Act will change the way business is done. This session is a must for financial regulators and those working on compliance and market regulatory issues.
Risk Focused Examination Panel: Ask the Questions You Always Wanted to Know About the Examination Process This panel will be hosted by a member of the NAIC and several financial examiners. Following some discussion, the panel will entertain questions from the audience on questions, thoughts, or comments on the risk-focused examination process.	**Holding Companies and Their Impact on the Examination** The risk focused approach to examinations has revolutionized the way examinations are conducted and goes beyond the separate entity approach. Through the NAIC's Solvency Modernization Initiative, the examination scope now focuses on the group level. The presentation will explore these new initiatives and issues that regulators now face.
Show Me Yours and I'll Show You Mine Compliance-ware software: What's with the hyphen?	**I'm Supposed to Be Doing What Now?** MCAS: 1) What data is collected and 2) what to do with it.
ACL ACL intermediate—Now that you know the basics, let's see what else ACL can do.	**TeamMate** A practical course on the mechanics of TeamMate.
IR201 In-depth review of the subject matter contained on the AIE and CIE tests.	**IR201** Insurance Regulation Course (IR201) Test

2011 IRES Career Development Seminar

MINNEAPOLIS, MN • HILTON • JULY 31 - AUGUST 2

Registration Form

INSTRUCTIONS

Return your completed registration form with payment by mail to IRES, 1821 University Ave W, Ste S256, St. Paul, MN 55104 or by fax to 651.917.1835.

FIRST NAME (BADGE)	LAST NAME (BADGE)	TITLE	
INSURANCE DEPARTMENT OR ORGANIZATION (BADGE)			
MAILING ADDRESS			
CITY	STATE/PROVINCE	ZIP/POSTAL CODE	COUNTRY
BILLING ADDRESS			☐ SAME AS MAILING ADDRESS
CITY	STATE/PROVINCE	ZIP/POSTAL CODE	COUNTRY
PHONE		E-MAIL	

SEMINAR FEES

(Includes continental breakfast, lunch and snack breaks for ALL days)

BEFORE June 30th

☐ Member (Regulator) – $330
☐ Member (Industry Sustaining) – $550
☐ Member (Retired) – $125
☐ Member (Student Sustaining) – $80
☐ Non-Member (Regulator) – $470
☐ Non-Member (Industry, Non-Sustaining) – $940
☐ Add a Guest – $80

GUEST NAME (BADGE)
GUEST COMPANY (BADGE)

AFTER June 30th

☐ Member (Regulator) – $370
☐ Member (Industry Sustaining) – $590
☐ Member (Retired) – $165
☐ Member (Student Sustaining) – $120
☐ Non-Member (Regulator) – $510
☐ Non-Member (Industry, Non-Sustaining) – $980
☐ Add a Guest – $120

GUEST NAME (BADGE)
GUEST COMPANY (BADGE)

REGISTRATION FEE

TOTAL AMOUNT ENCLOSED
$

☐ I have enclosed a check *(payable to IRES)*
☐ Please charge my credit card *(if paying by credit card, billing address is required above)*

☐ VISA ☐ MasterCard ☐ Discover ☐ American Express

NAME ON CARD		
CARD NUMBER	SECURITY CODE	EXP DATE
AUTHORIZED SIGNATURE		

Please note: Your statement will read "Nonprofit Solutions" for this transaction.

CANCELLATIONS AND REFUNDS

No registration is guaranteed until payment is received by IRES. A $25 cancellation fee will be assessed if canceling for any reason. Seating for all events is limited. IRES reserves the right to decline registration for late registrants due to seating limitations. Your registration fee minus a $25 cancellation fee can be refunded if we receive written notice on or before July 26, 2011. No refunds will be given after that date. Refund will be processed after Sept. 1, 2011.

SIGNATURE

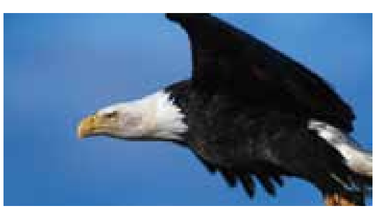
Acceptance of this application by IRES constitutes a contract.

SIGNATURE	DATE

Fun Facts About the Star of the North

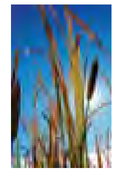
- ★ In 2010, Minneapolis was named America's most bike friendly city.
- ★ Frostbite Falls, the hometown of TV cartoon characters Rocky the Flying Squirrel and Bullwinkle, is based on the town of International Falls. International Falls, located on the Canadian border, is often referred to as the "Icebox of America" because of its cold winter temperatures.
- ★ The water tower in Pequot Lakes was once used as a fishing bobber by Paul Bunyan, who used it to catch a 40-foot walleye.
- ★ Bemidji is the "Curling Capital of the United States."
- ★ Located in Minneapolis, the Eloise Butler Wildflower Garden and Bird Sanctuary (established in 1907) is the oldest public wildflower garden in the United States.

- ★ The Mississippi River headwaters are located in Itasca State Park. Itasca State Park was founded in 1891, making it the oldest state park in Minnesota. At its headwaters, visitors can wade across the mighty Mississippi.
- ★ Minnesota is one of the top four states in the number of nesting bald eagles (680 breeding pairs). The other top states are Wisconsin, Alaska, and Florida.



- ★ Minnesota is home to the only park in the United States without a road. Voyagers National Park can be explored by houseboat, motorboat, canoe, and kayak—but not by car.
- ★ Minnesota is home to the first indoor shopping mall. Southdale Mall opened in 1956 and is still popular today.
- ★ There is one boat for every six residents of Minnesota, making the state a leader in boats per capita.
- ★ The Mall of America is the largest in the nation. At 9.5 million square feet, it's as large as 78 football fields. Clothing and apparel are exempt from sales tax in Minnesota.

- ★ Minnesota has more shoreline than California, Hawaii, and Florida combined—more than 90,000 miles.
- ★ The stapler, the Bundt pan, the first practical skis, the pop-up toaster, SPAM®, rollerblades, Milky Way® candy bars, Snickers®, Three Musketeers® candy bars, the first bus line, snowmobiles, Wheaties® cereal, Bisquick®, Green Giant® vegetables, puffed wheat, the first armored cars, masking tape, cellophane tape, kitty litter, and TONKA trucks were all invented in Minnesota or by someone from Minnesota.



- ★ Minnesota is home to 21,871 lakes more than 2.5 acres in size, 69,200 miles of rivers and streams, and 9.3 million acres of wetlands.
- ★ Minnesota is home to many famous people: F. Scott Fitzgerald, Sinclair Lewis, Bob Dylan, Prince, Marion Ross (Happy Days), Winona Ryder, Judy Garland, Noel Neill ("Lois Lane" in the original Superman series), Hubert Humphrey, Walter Mondale, Jesse Ventura, Chief Justice Warren E. Burger, Charles Lindberg, and Charles Schultz.

Fun facts about Minnesota provided by: www.50states.com, www.minnesotafunfacts.com, www.minnesotabeautiful.com, www.imao.us, and www.americanprofile.com.

Stay tuned for additional information about CDS and the Star of the North in the spring issue of *The Regulator*.

History continued from page 9

("NCOIL") did its own research regarding state regulation and concluded that states have undertaken numerous initiatives over the years aimed at increasing market conduct regulation effectiveness. However, they also reported that because states are not required to adopt and implement NAIC's guidelines and model laws, regulatory improvements have been slow and inconsistent. NCOIL presented a model bill to standardize market conduct examinations. The NCOIL model was debated robustly at the NAIC. It was eventually defeated and an NAIC model adopted.

In 2009, the NAIC once again began addressing uniformity with the creation of the Market Regulation Accreditation Program. The Program was an attempt to establish uniform criterion for assessing whether the states are effectively and efficiently addressing market regulation issues. It was expanded to include other areas of market regulation such as complaints and investigations.

A draft of the Program, based roughly upon the NAIC financial accreditation program, was developed in September 2009 and includes two sections: (1) required laws and regulations; and (2) required regulatory practices and procedures. Its critics felt that it did not have measurable objectives and would therefore not be successful. The NAIC Executive Committee ("EX") task force was engaged in an attempt to bring more regulators to the table.

Will market regulation accreditation be realized in the next decade?

Although the EX task force met in 2010, a draft has not been submitted. Information from the NAIC notes the issue has been tabled until the March 2011 NAIC meeting in Austin.

Will market regulation accreditation be realized in the next decade? Some regulators hope so. Leslie Krier, market surveillance manager for the state of Washington and current IRES president, says: "Accreditation gives market regulation accountability, consistency, and credibility."

So, at the end of the day, it seems that everyone supports some form of market accreditation, and there are many benefits to having such a system. But, at this point, it is still a waiting game. Stay tuned. ■

Jann Goodpaster, AIE, CIE, is currently a director in RSM McGladrey's Regulator Insurance Consulting Practice, where she performs market regulatory services, including analysis and a full range of market regulatory responses for state insurance departments and other governmental regulatory entities. Prior to joining RSM McGladrey, Jann served as the market regulation manager with the Oregon Insurance Division. Jann also served five years on the NAIC Market Regulation "D" Committee, where she worked on areas of market regulation.

Changes in the Insurance Regulatory Landscape

by Thomas E. Hampton

With the recession declared over, a change in the mantra of Washington, D.C. and state capitols has occurred that will have ripple effects in several areas, including the insurance regulatory landscape. This change began after U.S. citizens saw the harsh realities of Portugal, Ireland, and Greece's drastic actions to address years of deficit spending and lavish entitlement programs. U.S. voters went to the polls last November and sent a message to newly elected officials to fix the federal deficit before the United States becomes the next Greece.

To that end, fiscally conservative or Taxed Enough Already ("TEA") Party candidates won a sweeping number of seats at the state and local levels. On Capitol Hill, Republicans now hold 242 seats to the Democrats' 193 in the House of Representatives. In the Senate, Democrats maintain control for the third consecutive Congressional session with 53 seats to 47 for Republicans, although the majority has been reduced considerably. This new political reality has focused discussion in Washington on reducing the size of the federal deficit and requiring the government to live within its financial means via a balanced budget. The idea of deficit reduction is becoming more tenuous with the fiscal year 2011 budget continuing resolution debate and the required vote to increase the national debt limit scheduled for early March 2011. Without the increase in the debt limit, the federal government could possibly shut down. Furthermore, the inability of Congress to discuss substantively the third rail of entitlement reform (i.e. Social Security) has paralyzed any meaningful action on reducing the federal debt.

Republicans also had major wins at the state level. Of 37 states with gubernatorial elections in November 2010 (including the Utah Special Election), Republicans gained a net six governorships from Democrats, giving the Republicans a total of 29 state executive offices to the Democrats' 20, with one Independent governor in Rhode Island. Republicans took 11 governorships from the Democrats in Iowa, Kansas, Ohio, Oklahoma, Maine, Michigan, New Mexico, Pennsylvania, Tennessee, Wisconsin, and Wyoming. Democrats gained governorships in the following five states: California, Connecticut, Hawaii, Minnesota, and Vermont. Unlike the federal government, most states are constitutionally required to balance their budgets. The need to find the appropriate balance between revenue enhancements and program reductions is essential.

New state insurance commissioner leadership

Along with the changes occurring in Congress and state executive leadership throughout the country comes one of the largest turnover of insurance commissioners in recent years. Most insurance commissioners are appointed, but it takes a while for all new governors to select cabinet officials. Several new commissioners were appointed in late December 2010 and January 2011, but many more are anticipated later in 2011.

Eleven states directly elect their insurance commissioners, and four of these states did so in November 2010 (California, Georgia, Kansas, and Oklahoma). Only one incumbent (Kansas Commissioner Sandy Praeger) retained her seat. Insurance Commissioners Steve Poizner of California and John Oxendine of Georgia both decided to run for governor in their respective states and both lost in their Republican primaries.

In the race for insurance commissioner, Democrat Dave Jones won in California and Republican Ralph Hudgens was elected in Georgia. Oklahoma Insurance Commissioner Kim Holland, an officer at the NAIC, lost her re-election bid to John Doak, an insurance veteran from Tulsa, in a Republican sweep in that state.

As of February 22, 2011, a total of 15 new insurance commissioners (elected or appointed) have taken office since Election Day 2010. It is anticipated that up to 11 more insurance commissioners may be appointed later in 2011. For instance, Texas Commissioner Mike Geeslin decided not to be a part of Governor Rick Perry's second term and announced his resignation effective February 2011.

See the inset on page 10 for a list of new insurance commissioners/superintendents/directors since November 2, 2010 as of February 22, 2011.

National Association of Insurance Commissioners (NAIC)

The changes in state insurance commissioners caused a transition in leadership and maybe policy as well at the NAIC. Illinois Insurance Director Michael McRaith ultimately replaced Commissioner Holland as an NAIC officer. The first NAIC national meeting since Election Day 2010 is scheduled for March 2011 in Austin, Texas. Will the NAIC modify its guiding principles to adopt the approach of the fiscally conservative commissioners who want a more pro-business and less government approach in the insurance regulatory arena? The following analysis may answer that question.

The state of insurance regulatory reform

In the last few years, the NAIC has promoted the Regulatory Modernization Task Force to develop a plan for building consensus and necessary constituency support for national uniformity in areas that will enhance the existing strengths of state insurance regulation. The overarching

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Changes continued from page 17

State	Elected or Appointed	New Commissioner
California	elected	Dave Jones
Colorado	appointed	John Postolowski (Interim)
Connecticut	appointed	Thomas Leonardi
District of Columbia	appointed	William White
Georgia	elected	Ralph Hudgens
Minnesota	appointed	Mike Rothman
Nebraska	appointed	Bruce Ramge
Ohio	appointed	Lt. Gov. Mary Taylor
Oklahoma	elected	John Doak
Pennsylvania	appointed	Michael Consedine
South Carolina	appointed	David Black
Tennessee	appointed	Julie Mix McPeak
Vermont	appointed	Steve Kimbell
Virginia	appointed	Jacqueline Cunningham
Wisconsin	appointed	Ted Nickel

idea is to enact substantially similar regulation that leads to a more efficient and cost effective process for nationally significant insurance companies as well as consumers. Even with the progress made by the Regulatory Modernization Task Force in the last few months, uniformity in key insurance regulatory functional areas is far from being completed.

In 2010, most commissioners agreed that insurance licensing laws needed uniformity. Despite New Hampshire Commissioner Roger Sevigny and other NAIC members' efforts, uniformity of insurance licensing laws, specifically producer licensing, could not be accomplished through regulatory modernization, even though commissioners agreed this change would benefit the licensed producers as well as consumers. It took the enactment of the National Association of Registered Agents and Brokers Reform Act ("NARAB II") at the federal level to push this issue towards completion. NARAB II will permit any insurance producer (individual or agency) licensed in their home state or jurisdiction to join NARAB, pay a membership fee, and be held to a single non-resident licensing and continuing education standard. Non-resident state insurance departments would be prohibited from imposing any other licensing or other qualifications to conduct business in that state.

Even with this Regulatory Modernization Task Force work, some insurance associations do not think regulators are serious about reducing unnecessary insurance regulations. Dave Snyder, American Insurance Association's vice president and associate general counsel, believes the NAIC is adding more regulations rather than working to eliminate unnecessary items. Mr. Snyder wrote, "The NAIC, as recently as December 2010, [has come] up with new initiatives for more regulation through amendments to the Model Holding Company Act and discussing new 'readability' standards, as well as new data calls. So, when will they show the same interest for regulatory modernization as they have for more regulation?" Snyder hopes the NAIC will agree to review its model regulations and regulatory structure because, in his view, the elimination of certain perceived wasteful and duplicative regulations will reduce the cost of regulation and lower the insurance costs to consumers.

Dodd Frank Act and federal financial regulatory reform

While several Republican controlled states have decided to wait for the U.S. Supreme Court to determine the constitutionality of the Affordable Care Act before moving forward with implementation, the NAIC has been working with the remaining state insurance regulators to develop an appropriate regulatory scheme required by the Act and to apply for federal grant funds to study their health care market and establish health insurance exchanges.

Although it is vital to provide citizens with access to health insurance coverage, all state insurance regulators should monitor the implementation and development of rules of the "Wall Street Reform and Consumer Protection Act," or the Dodd Frank Act. This Act requires more than 100 different rules by at least six different federal agencies. Special attention and resources should be allocated to the activities of the Financial Stability Oversight Council ("FSOC"). The FSOC was established to supervise systemic risk, promote market discipline, and respond to emerging threats to financial stability. The Council, chaired by Treasury Secretary Timothy Geithner, consists of 10 voting and five nonvoting members. One voting member of FSOC has insurance expertise and two others are non-voting members: the Federal Insurance Office director and a state insurance commissioner.

Missouri Director John Huff is the only insurance related position filled to date. The FSOC is already operating, and its first meeting was held on October 1, 2010. It approved an "Advanced Notice of Proposed Rulemaking" on designating non-bank financial companies for heightened supervision. Insurance companies may fit in that non-bank financial institutions category.

As the FSOC moves to define systemically risky and non-bank financial institutions, the concern for state insurance regulators should focus on which insurance company organizations will be considered systemically risky to the U.S. financial system. These large insurance companies may be extricated from the state insurance regulatory system, with the requirement to pay state assessments used to operate state insurance departments as well as state guaranty fund assessments. (Entities regulated by FSOC will have a different guaranty fund system enacted by the Dodd Frank Act.) The possible exodus of large insurance companies to the FSOC will also reduce the amount of resources an insurance department spends on financial and market conduct regulatory needs and effect the amount of staff insurance departments utilize to monitor these companies.

Conclusion

State governments across the country are experiencing record deficits and the governors will be politically hard pressed to raise taxes. Most of the recently elected Republican governors believe citizens want them to eliminate or drastically reduce the number of programs and resources government currently provides. In state insurance departments, these cuts could mean fewer staff or a significant reduction in the current statutes or regulations used in today's insurance regulatory regime. Even President Obama suggested in his 2011

State of the Union address that all regulations need to be reviewed and unnecessary regulations eliminated.

While insurance departments need to focus on which regulatory processes can be eliminated without reducing regulatory efficiency, they must also monitor which companies the FSOC is defining as systemically risky and hence regulated under FSOC authority in Washington, D.C. As a result, the potentially growing scope of federal insurance power coupled with limited state resources may significantly hamper the ability for state insurance departments to protect its consumers. ■

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Risk-based Exams

The New Norm

by Kathy Donovan

Historically, financial exams focused on numbers. In a manner similar to other types of corporations (including financial institutions), insurers' balance sheets, profit and loss statements, income statements, and capitalization analyses were among the key diagnostic elements used by examiners to determine the financial health and well-being of insurance companies. But now, looking beyond the numbers into an assessment and understanding of corporate governance and risk management is the new norm, and insurers need to prepare.

While financial examiners still examine capitalization, management/control, company records, and reinsurance and perform actuarial reviews, they also examine and determine more than "just the facts." Today, it's about understanding an insurer's discipline and culture on risk identification and assessment and the manner in which such risks are managed to achieve mitigation. This new world of risk-based exams—a fundamental shift from the rules-based statutory exams—has replaced total reliance on data analysis and incorporates elements and require answers on risk management and reflect the present financial realities.

It has been more than eight years since Sarbanes-Oxley ("SOX") was enacted in the wake of the Enron and WorldCom financial scandals. Yet many of the financial realities facing the industry today are deeply rooted in the awareness we share of those events. It may be useful to view the transition from rules to risk-based exams as another aspect of the "continuum of concerns" regarding internal controls and the transparency and veracity of "numbers" across all industries.

Along that road to transparency and risk management, we have certainly seen tighter and more exacting controls designed to prevent future occurrences. With SOX focused on publicly traded companies, the NAIC's Annual Financial Reporting Model Regulation, or Model Audit Rule ("MAR"), was the subject of recent revisions, which provided emphasis on auditor independence, corporate governance, and internal control over financial reporting.

Apart from SOX and MAR, the NAIC's revisions to the Financial Condition Examiners Handbook require the state insurance examiners to request and consider information on the insurer's corporate governance, risk management, and controls. This is now known as the "risk-based exam."

What can insurers do and why should they do it?

Insurers may want to consider familiarizing their personnel with the new elements of the financial exam process as well as the required lines of questioning. While staff will be, of course, most familiar with the longstanding requests for financial information (the rules-based approach), introduction into the world of risk analysis and management (risk-based approach) is not without merit. Traditional exams generally did not involve chief financial officers and other C-suite executives. All that has changed with risk-based exams, as these individuals are perhaps best equipped to provide information on potential risks and the controls either taken or contemplated to mitigate negative outcomes. Insight on the risk identification, assessment, and management controls used by the insurer become the tools for the financial examiner to assess the greatest risks and any and all impacts on the insurer's financial statements.

And, from a strict budget and cost conscious perspective, the industry knows that financial exams are not free. Exam costs can include per diem rates, lodging, and meal charges for each on-site examiner for the length of the exam and travel expense to and from such examination—costs which can become substantial. Getting staff on board early in the process and providing them with a clear understanding of the reasons for risk-based exams, the data required, and the ongoing costs during the duration of the exam may effectively reduce the on-site examiners' time, thus reducing the overall cost of the exam.

Taking a lesson from the advance preparation and exam coordination we see in the market conduct exam process, planning in advance of a risk-based exam can potentially reap similar benefits in reducing time commitment for both the regulators and company staff. Internal insurer education and assembling those who will be most directly involved in the exam can go a long way towards assisting this new exam focus for financial exams.

It is not just the state insurance examiners that have an interest in the examination process and outcomes under the risk-based exam. Rating agencies will be able to obtain copies of the financial exams. These risk-based exams provide a unique opportunity for these rating analysts to not only take note of the examiner's assessment and

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NAIC Insurance Regulator Professional Designation Program

by Richard Nebb, CIE, CLU and MCM

The NAIC Insurance Regulator Professional Designation Program provides insurance regulators with a designation that demonstrates competency in insurance regulation. The designation program consists of a series of structured learning experiences designed to establish a firm foundation on which individuals can build a career in insurance regulation. Utilizing a blended learning approach that incorporates self-directed study courses, web-based learning, and classroom instructor-led courses, the program provides regulators with the skills and confidence they need to meet the immediate demands of an increasingly demanding regulatory marketplace.

Three designations are currently available: Associate Professional in Insurance Regulation (APIR), Professional in Insurance Regulation (PIR), and Senior Professional in Insurance Regulation (SPIR).

To be eligible for an APIR designation, you must be currently employed by a state department of insurance ("DOI") and have at least one (1) year of full-time work experience with a DOI. A candidate may work toward the APIR designation during his/her first year of employment. The APIR designation may be achieved through successful completion of three (3) qualifying online education courses along with a passing score of 70% on the exam for each course, or by "testing out" through successful completion of a rigorous comprehensive exam that addresses concepts related to market, rate and form, and solvency regulation.

To be eligible for a PIR designation, you must be currently employed by a DOI, have at least three (3) years of full-time work experience with a DOI, and have previously attained an APIR. Candidates may work toward the PIR prior to their third anniversary. The PIR designation may be achieved through successful completion of five (5) qualifying online education courses along with a passing score of 70% on the exam for each course.

To be eligible for an SPIR designation, you must be currently employed by a DOI, have at least five (5) years of full-time work experience with a DOI or be elected/appointed as the chief insurance regulator in a state, and have previously obtained both the APIR and PIR designations. A candidate can petition the Designation Advisory Board to enter at the SPIR level by submitting a detailed enrollment vita describing how prior coursework or professional experience demonstrates exposure to and mastery of 1) the broad fundamental concepts in the areas of market, rate and form, and solvency regulation addressed at the APIR level, and 2) the more specialized skills and competencies addressed at the PIR level of the program. SPIR requirements include successful completion of the NAIC Commissioners Forum and the NAIC Management and Leadership Effectiveness course, as well as successful completion of two (2) SPIR-level electives from the NAIC Catalog of Elective Courses or possession of a CPCU, CLU, CFE, CIE, or FFSI/FLMI designation. In addition, the SPIR candidate must teach in an NAIC Education & Training Department course, research and author an article that is published in the Journal of Insurance Regulation (JIR), or be the lead in a structured, formalized mentoring relationship within the DOI for at least six (6) months.

The costs associated with these designations include an enrollment fee of $200, tuition for education courses, and possible travel costs for elective classroom courses. These expenses can be paid by the candidate and/or through the use of NAIC Zone/Grant funds. In addition, NAIC has created two scholarship funds, the Paul DeAngelo

Professional Development Scholarship and the Insurance Regulator Professional Designation Program Scholarship, to help defray the cost to participate in the program.

For additional information about the NAIC Insurance Regulator Professional Designation Program, contact NAIC Professional Designation Program specialist Debbi Hoge at (816) 783-8320, visit http://www.naic.org/education_designation.htm, or send an e-mail to designation@naic.org. ■

Richard Nebb is an associate examiner with the New York Insurance Department and currently holds a CIE, CLU, and MCM. He was a recipient of the 2011 NAIC Professional Designation Program scholarship and is currently working towards his APIR designation.

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evaluation of an insurer's risk management and controls but also provide additional information for them, as they, too, have questions about risk management in the company evaluation process.

Positive outcomes

Financial condition exams will most likely continue to determine areas of what might be regarded as "typical" improvement, whether the examiners direct an insurer to consider the implementation of a business continuity plan, create a conflict of interest policy, train backup staff for critical business functions, or recommend that a procedure be established to secure un-deposited checks and blank check stock. And the states will continue to order companies to file reports indicating how they have addressed the various issues outlined in the exam. However, before the exam findings are finalized, before the order is issued, and before corrective action plans are made, insurers will have the opportunity to assess their identified risks and evaluate how to mitigate them through techniques including investment management, avoidance, reinsurance, and compliance management systems.

An ongoing self-evaluation or assessment of potential and actual risks may in fact be so inherent in the company's day-to-day processes that additional reflection would only be duplicative. If that is the case, then the examiners' and the insurers' associated tasks are easier to accomplish. However, to the extent that an insurer has not taken the multiple steps in risk management that an examiner will most definitely inquire about, opportunities exist to address these in advance of the exam. Potential negative findings could be avoided, thus improving the overall final exam findings and enhancing existing risk management processes and procedure.

Risk-based exams are no longer the wave of the future. They are here and serve to augment the many efforts implemented to address financial soundness in the insurance industry. ■

Kathy Donovan is senior compliance counsel, Insurance, at Wolters Kluwer Financial Services. For more information, visit https://insurance.wolterskluwerfs.com.

Finally: The Story Behind the Relationship

…Between IRES and the IRES Foundation

by Bennett Katz, IRES Foundation Chair

Do you support state insurance regulation? Do you want professional regulators who keep current on new issues and trends? If so, you should attend the IRES Foundation's National School on Market Regulation on April 10–12, 2011, in Scottsdale, Arizona, to further your own career and to provide financial support for the educational initiatives of our insurance regulators.

If you're reading this article, you've heard of the Insurance Regulatory Examiners Society ("IRES"). But what is the IRES Foundation?

Both are nonprofit organizations. Both are composed of people involved in insurance regulation. IRES has members who are current or former regulators. IRES also has sustaining members that are generally insurance companies, law firms, and individuals in the industry. IRES is the organization that confers the AIE, CIE, and MCM designations.

The IRES Foundation, on the other hand, has a board of 24 volunteers but no members. Its mission is to provide financial support for educational initiatives for insurance regulators. Every spring, it holds the National School on Market Regulation, the nation's first program dedicated to what we used to call "market conduct." What you may not know is that the profits from the school are used to support educational activities of IRES.

The IRES Foundation provides support to IRES in the following ways:

- To be eligible to be a board member of the IRES Foundation, a person or his or her employer must be a sustaining member of IRES.
- Every year, the Foundation provides grants to IRES. The grant money is used to pay the expenses of new AIE and CIE designees so they can attend the IRES Career Development Seminar ("CDS"). Without this funding, some of those regulators would not be able to receive their designations in person. These annual grants range from $6,000 to $10,000.
- The Foundation provided $23,000 in seed money for the MCM course development and textbook.
- The Foundation has covered the speaker expenses at the CDS.
- Many of the Foundation's board members have earned their MCM designations through IRES.
- IRES Foundation board members help organize and often present at the CDS.

> The School was the first of its kind in the country and continues to evolve each year.

Where does the Foundation get the money to provide grants and funding for IRES educational initiatives? Believe it or not, the Foundation pays its own expenses and supports IRES through the profits from its annual National School on Market Regulation.

The School was the first of its kind in the country and continues to evolve each year. The original idea of having senior market regulators—and commissioners—featured as the "faculty" continues today. The school has embraced the broader concept of market regulation and continues to be the premier event focused on market regulation.

One of the special features of the School is the relaxed atmosphere and the multiple opportunities for easy, informal connections with regulators. It remains small enough to allow for personal interactions. There is a special orientation for first time attendees, and board members make a concerted effort to introduce new attendees

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to the faculty and to each other. This informality is a unique element of the School and one that is greatly appreciated by all attendees

This year's school is April 10–12 in Scottsdale. Our agenda promises to be interesting and relevant, covering such topics as social media, enterprise risk management, building an internal market analysis program, the newest MCAS processes, and the latest in regulatory compliance. And, as always, it includes private appointments with our faculty, as well as networking events. For details and registration, please go to the IRES Foundation website at http://www.ires-foundation.org or visit us on Facebook.

As chairperson of the IRES Foundation board, I hope that you will join us for the National School on Market Regulation this year. I promise you will find that it is your favorite industry event. By attending the School, you and your company or department will benefit, and you will help us support the continuing education of our insurance regulators.

I look forward to seeing you at the School. I hope every new and returning attendee stops by to say hello or introduce him- or herself. ■

Congratulations!

The following members have received their AIE, CIE, or MCM designation since the last issue of *The Regulator*. Please join us in congratulating them!

AIE

★ Carla Bailey, AIE, WA
★ David Benedict, AIE, CPCU, TX
★ Dennis Forrester, AIE, FL
★ Bruce Glaser, AIE, CO
★ John Haworth, AIE, MCM, WA
★ Dale Hobart, AIE, KS
★ Barbara Szumowski, AIE, MCM, FL
★ Michael Vaughan, AIE, CPCU, WA
★ Audrey Wade, AIE, ME
★ James Wang, AIE, NY

CIE

★ Dennis Foley, CIE, MO
★ Dale Hobart, CIE, MO
★ Teresa Koerkenmeier, CIE, MO
★ Bob McManus, CIE, unaffiliated
★ Jeffrey Moser, CIE, WA
★ Lynn Pink, CIE, MCM, AIC, HIA, FCLS, WI
★ Laura Sloan-Cohen, CIE, unaffiliated
★ Tom Whitener, CIE, MCM, WV

MCM

★ Andrew Arnott, MCM, UT
★ Robert Arrow, MCM, FLMI, RI
★ Miranda Bigelow, MCM, IL
★ Gayle Buckner, MCM, OH
★ Ted Bunn, MCM, RI
★ Thomas Cale, MCM, RI
★ Dawn Cappalli, MCM, RI
★ Richard Collard, MCM, RI
★ Janet Craemer, MCM, PA
★ Donna Crowe, MCM, CPA, CIA, MA
★ Elizabeth Davis, MCM, TX
★ Raymond Davis, MCM, RI
★ Stephen DeAngelis, MCM, CT
★ Mark Duffy, CIE, MCM, CPCU, CT
★ Gerard Edimo, CIE, MCM, TX
★ Kevin Fichter, MCM, RI
★ Sharon Gordon, MCM, CPA, CFE, RI
★ Rosemary Goron, MCM, RI
★ Maryanne Grippo-Beck, MCM, CT
★ Rick Hrivnak, MCM, MI
★ Terri Hudson, MCM, TX
★ Charles Jewell, MCM, WV
★ Eric Johnson, MCM, OH
★ Dominique Kienlen, MCM, NC
★ Victoria Kline, MCM, MD
★ Marjorie Krakue, MCM, RI
★ Michelle Levesque, MCM, RI
★ Amanda Marcoux, MCM, CT
★ Linda Miller, MCM, FL
★ Thomas Moore, MCM, RI
★ Theresa Moorehead, MCM, AIS, API, RI
★ Mary Mulhern, MCM, GA
★ Richard Nebb, CIE, MCM, CLU, CPA (pending), NY
★ Thomas Pownall, MCM, NJ
★ Debra Quinlivan, MCM, RI
★ Kate Radebaugh, MCM, CT
★ Nicole Rasinski, MCM, MD
★ Dorothy Raymond, MCM, MA
★ Nestor Romero, CIE, MCM, CPA, CFE, NM
★ Harry Sanavitis, MCM, NY
★ Suzanne Seay, NY
★ Kurt Swan, MCM, CT
★ Charles Vanasdalan, MCM, NH
★ Chad Walker, MCM, IN
★ Ellen Walsh, MCM, CIC, APIR, ACSR, NH
★ Dorothy Wendoloski, MCM, RI

Welcome, New Members!

The following individuals 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!

- ★ Tracy Miller Biehn, NC
- ★ John T. Clubb, CIE, MO
- ★ Polly Coon, WV
- ★ Benjamin A. Darnell, LA
- ★ Christine L. Donner, MO
- ★ Bruce W. Foudree, IL
- ★ Ava Franks, AR
- ★ Bruce W. Glaser, AIE, CO
- ★ Sheryl Hines, VA
- ★ Dale C. Hobart, AIE, MO
- ★ Cindy M. Horne, ID
- ★ Terri L. Hudson, MCM, TX
- ★ Dianne E. Hunt, AIE
- ★ James M. Kattman
- ★ Christine S. Kellie
- ★ Penny J. Kilberry, MCM, IL
- ★ George A. Lyle, AIE, VA
- ★ Kathleen H. Nakasone, HI
- ★ Ed Payne
- ★ Molly Porto, MCM, OH
- ★ Roy B. Ridings, AR
- ★ Bhaiya Sondawle, St. Lucia
- ★ John M. Talley, NH
- ★ James Wang, AIE
- ★ David E. Wilson, IL
- ★ Moua Yang, WI

State Chapter News

CALIFORNIA – The California Chapter presented a seminar on "Current Trends in California's Surplus Lines and Reinsurance Markets" on March 7, 2011. The Guest Speakers were Gerald Sullivan and Hank Haldeman.

by Polly Chan, chanp@insurance.ca.gov

COLORADO – In January, Fire Chief John Berino (fire investigator and fire safety professional) provided a presentation regarding wildfire mitigation, claims, and new fire fighting challenges involving the new super fires created by over-forested areas. Chief Berino also spoke about the complexities involved in investigating wildfires, including man-made and natural causes (e.g., lightning strikes).

In February, Jim Hertel, who publishes an HMO newsletter, talked about HMOs and emerging trends and challenges he sees HMOs facing in the future.

Janet Byrne from Pinnacol Assurance talked about Sarbanes-Oxley (SOX), including the challenges and plusses with SOX compliance.

by Tom Abel, tom.abel@dora.state.co.us

LOUISIANA – The Louisiana Chapter held a state chapter meeting on December 8, 2010, during which the election results for new officers were announced. The officers for the next calendar year are as follows: President – Madonna Jones (Market Conduct Division); Vice President – Joycelyn Spriggs (Property & Casualty Forms Division); Secretary – Angelle Hayes (Licensing Division); Treasurer – Kallie Ruggerio (Life & Annuity Division); State Co-Chairs – Linda Gonzales (Property & Casualty Insurance Rating Division) and Ben Darnell (Property & Casualty Forms Division). Additionally, Susan Simoneaux, public affairs specialist, Social Security Administration, presented "Social Security Information" with a PowerPoint presentation. The presentation covered the "who, what, when, where, why, and how" of social security benefits. There were 50 attendees.

The chapter held an officer and committee meeting on January 5, 2011. Several issues were discussed, including creating a new calendar for meetings in the coming year. The chapter plans to continue to hold monthly meetings with various speakers to offer more CE hours for those needing CE credits.

The Louisiana Chapter held a state chapter meeting on January 19, 2011. The speaker was Mike Boutwell, LDI insurance administrator, Office of Licensing and Compliance. Mr. Boutwell presented "What Every LDI Employee Needs to Know" with a PowerPoint presentation that provided tips to improve efficiency within the LDI and when dealing with consumers. There were 80 attendees.

The chapter held an officer and committee meeting on February 2, 2011. An update was provided regarding the chapter meeting topics and speakers.

The Louisiana Chapter held a state chapter meeting on February 15, 2011. The speaker was Larry Steinert, LDI senior actuary, Financial Solvency Division. Mr. Steinert presented "A Primer on Rates and Ratemaking" with a PowerPoint to provide attendees with a basic knowledge of what rates are and how they are developed. There were 38 attendees.

by Linda Gonzalez, ltgonzales@ldi.state.la.us

VIRGINIA – On December 14, 2010, the Virginia Chapter held its quarterly meeting with 14 members in attendance. Elections were held for 2011. The 2011 officers are Melinda Willis, president; Will Felvey, vice-president; and Greg Lee, secretary. After the elections, Andrea Baytop, Billie White, and Bryan Wachter summarized the sessions they attended during the Career Development Seminar (CDS) in Albuquerque, New Mexico. Andrea also presented a summary of current events related to the insurance industry and changes to property and casualty law for 2010.

by Brian Wachter, bryan.wachter@scc.virginia.gov

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ANNOUNCEMENTS

***The Regulator* is now quarterly.**
Watch for your next issue in July.

***The Regulator* is also published online—in full color!**
Read your issues at www.go-ires.org whenever you like. Look for issues under "The Regulator Newsletter."

We want to hear from you!
We're setting up a survey via SurveyMonkey designed to get your input regarding IRES, *The Regulator*, the website, and any other topic you'd like to share with us. Survey instructions will be included in the next issue of *The Regulator*!

Got news?
If you have an announcement that you would like published in *The Regulator*, please visit www.go-ires.org under "The Regulator Newsletter" and follow the link to "submit an article."