



## US & EU Insurance Regulation Covered Agreement

by Dan Brown

It was a long time coming, but now that it's here, there is still much uncertainty about what Solvency 2 really means and what long-term impacts will be both in the US and abroad. On the one hand European-based insurers and reinsurers had years to adapt to the reporting and organizational requirements of Solvency 2. On the other hand, the details of how the minimum capital requirements, governance requirements, and public disclosures will actually play out in the day-to-day management, capital policies, and consumer interactions has yet to be seen. Moreover, the direct and indirect impact of Solvency 2 in the US continues to develop, although somewhat lagging behind (perhaps intentionally) the Solvency 2 implementation in Europe.

### Background

Solvency 2 is a European Union risk-based solvency regime that came into force January 1, 2016, dramatically overhauling the previous regime. The primary stated goal of Solvency 2 was to enhance policyholder protection by improving insurers' market stress resilience. Its implementing laws are



Dan Brown



Martin Mankabady

somewhat analogous to the structure of insurance laws in the US, in that there is an overarching framework directive (similar to state statutes), more detailed technical implementing measures (similar to state regulations), recommended guidance and non-binding standards (similar to state bulletins or opinions), and ongoing monitoring compliance.

The framework and the implementing measures are loosely organized into three components, often referred to as three pillars. First is the capital adequacy pillar, which establishes minimum capital requirements (the "floor" below which companies

cannot drop without significant regulatory intervention) and solvency capital requirements (the target against which regulators measure an entity's capital adequacy). In some respects this was the most contentious pillar during the development of Solvency 2, as many in the industry believed that the capital standards were overly conservative (99.5% confidence level) and based on banking standards that were inapplicable to the insurance industry.

### WHAT'S INSIDE

Will Drone Insurance Take Off? .....	3
Welcome, New IRES Board Members ..	4
President's Remarks .....	5
Awards Presented at CDS.....	9
Highlights from CDS .....	11
'Zoning In' .....	12
Educational Corner.....	13
New Members .....	14
New Designees .....	14
Editor's Corner .....	15

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□ US and EU Insurance Regulation Covered Agreement – continued from page 1

The second pillar involves the supervision of risks, and is built around the concept of companies engaging in own risk solvency assessments (“ORSA”). The ORSA requires management at all levels to engage in a detailed assessment of numerous categories of risk that might impact operations, including internal risk and capital reviews, and describe in detail how the company has addressed and will address each risk. It is intended to be a living document that is consulted and updated on a regular basis, and internalized in the company’s daily management. Upon review of a company’s ORSA, regulators can impose a capital add-on requirement if they are not satisfied with the way they perceive the company is addressing certain risks.

The third pillar imposes a public disclosure requirement on insurers regarding their financial condition. It is not a detailed disclosure in the same way as an ORSA, but there has been a great deal of debate as to the value and nature of such public disclosures.

The debate continues to rage (albeit in a more subdued manner now that the framework is in place) as to whether Solvency 2 is making the world a safer place from a policyholder perspective, or simply a more expensive and bureaucratic place from a company perspective. In any event, it appears to be here to stay in the EU, and will continue to have dramatic impact on the US regulatory landscape.

### Select Impacts in the EU and US

**ORSAs:** ORSAs are viewed as the cornerstone of Solvency 2, and have been widely implemented in the US. The ORSA requirements are generally to (a) maintain a risk management framework, (b) regularly conduct an ORSA, and (c) in the US submit to the lead state regulator an ORSA Summary Report. The Summary Report must address five key solvency issues: (1) capital requirements, (2) international accounting, (3) insurance valuation, (4) reinsurance, and (5) group regulatory issues. In addition

to the EU-wide Solvency 2, the ORSA Model Act has been adopted in some form in 35 states and growing.

There have already been three primary impacts of the ORSA requirement. First, it created a heightened reliance on risk management and modeling, with a focus on the models themselves and on demonstrating a balance of high and low risk business, profitability, and capital allocation. Second, it increased the focus on group governance, with potential intra-group capital transfers, increased diversification of risk types, and perhaps a rationalization of the number of risk-bearing entities within groups. Third, the ORSA process formalized the management process, or at least increased the documentation of processes that were already in place.

**Reinsurance:** Solvency 2 recognized the value of reinsurance as a capital management tool, particularly the risk mitigation effects where risk transfer is demonstrated. Reinsurance is not treated equally, however, as the counterparty default risk, rating, and capitalization of the reinsurer must all be taken into consideration.

**This has had a knock-on effect in the US, as state regulators were forced to address reinsurance issues that were deemed by some to be inequitable in their treatment of non-US reinsurers.**

As such, at least 32 states representing approximately 66% of direct US premium have adopted some form of legislation to reduce collateral requirements meeting certain financial requirements and demonstrating certain business practices. This progress, however, has not met with overwhelming approval by stakeholders, such that the Federal Insurance Office is currently spearheading

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negotiations with EU regulators on a “covered agreement” (as authorized by the Dodd-Frank Act) to try to reach an agreement on cross-border treatment of reinsurers and reinsurance collateral. The parties have met three times this year, but no details of any real progress have been published so the ultimate impact of these discussions remains unknown.

**Equivalence:** One of the stated goals of Solvency 2 is to ensure a similar level of policyholder or beneficiary protection regardless of the domicile of the issuing re/insurer. The equivalence determination addresses the strength of a country’s reinsurance regulations, group solvency regulations in non-EU countries, and adequacy of non-EU countries’ group supervision. Two countries (Bermuda and Switzerland) were granted equivalency status in all three areas. Five countries (Australia, Brazil, Canada, Mexico, and the US) were granted provisional equivalence for ten years only with respect to group solvency. Japan was also granted temporary equivalence for group solvency and reinsurance. The desire for equivalence continues to drive many aspects of US insurance regulation (see preceding paragraph regarding US movement in this respect) and international discussions.

### What’s Next?

The issues noted above are by no means the only (or perhaps even the most important) impacts of Solvency 2 in the EU and abroad. What is certain,

□ US and EU Insurance Regulation Covered Agreement – continued from page 2

however, is that Solvency 2 proved to be a world-wide catalyst for deeply rooted change in the risk management processes of insurers and groups of insurers, and that change has come at a very high price as insurers invested billions of dollars in adapting to the ORSA requirements, capital requirements, and related process changes. We expect to see continued investment in modeling, increased reliance on reinsurance, increased pressure on claims management, and a heightened focus on reserve methodology. In any event, the fact that Solvency 2 has been in place for nearly eight months has certainly not proved to be the end of the story, but merely one milestone in a continuing journey of regulatory adaptation. ■

Dan Brown's practice focuses on representing insurance companies, agents and brokers, as well as other clients involved in all aspects of the admitted and surplus lines insurance markets in the United States. This includes advising alien or foreign insurers on how to comply with various state laws in placing business; advising producers on licensing, placement and premium tax issues; and advising insureds on coverage and placement issues. In particular, Dan practices in Dentons' San Francisco and London offices, advising participants in the London market (both Lloyd's and the company market) on how to comply with US insurance laws either by becoming admitted insurers or by utilizing a variety of methods of covering US risks without being licensed a variety of methods of covering US risks without being licensed.

Martin is a partner in the Firm's London Corporate practice and focuses on corporate insurance. He has particular experience in mergers & acquisitions (both private and public), joint ventures and corporate finance. Martin also advises regularly on restructuring, commercial and regulatory matters. He primarily advises in the insurance and financial services sectors. in mergers & acquisitions (both private and public), joint ventures and corporate finance. Martin also advises regularly on restructuring, commercial and regulatory matters. He primarily advises in the insurance and financial services sectors.

## Will Drone Insurance Take Off?

by Parker Stevens, CIE, AMCA, FLMI, AIRC, CCP, MPM

Have you ever been at the beach, a park, or on vacation and seen a drone flying high in the sky? Sure, we all have but I bet there is one question that never crossed your mind, "I wonder if that drone is insured?" Well let's just take a minute and think about drone insurance. Does it exist? Who can get it? Why would you want it? What types of risks and claims will we see? How will this affect the insurance market place? All great questions and I hope to shed some light on each.

First, let's look at who is using drones also know as unmanned aerial vehicles (UAV) or remotely piloted aircraft systems (RPAS). From a business standpoint, many businesses are now using UAVs for commercial purposes including crop science, mapping, filming, photography and surveillance. Even in the insurance industry carriers are using UAVs to survey areas that just experienced a major disaster. This allows the carriers the ability to see if an area destroyed by a tornado or a hurricane, for example, is safe enough to send their adjusters, agents, and support teams in and start helping their customers. From the recreational side, many individuals purchase UAVs as toys or to film events. For example, a weekend boater wanted to film his family riding along the waterway in his new boat. Or perhaps the younger brother that decided to take pictures or film his sister's wedding by flying a drone over the ceremony. Later giving her a copy of the video as a keepsake. Really, the reasons why an individual would want a drone are endless.

Does drone insurance exist? Yes, there are some insurance carriers in the marketplace offering UAV or RPAS policies. Drone insurance acts like any other type of insurance policy. If you happen to lose your drone or it gets in an accident, the insurer will cover your damages and liability costs, up to

policy limits and provisions. Who can get UAV insurance? Well anyone really but it might not be as cut and dry as you would think. When I researched drone insurance carriers I found some that would only insure "pilots" who went through a training course. These courses can even be found online. At the end of the course, you would receive a certification of completion which you can present to an insured.



Parker Stevens

**Some insurers went even further and required the pilots to have an operating manual on file, maintenance logs, and records of any parts and add-ons to their drone(s).**

In the end, the insurers want to know that you are of a lower risk than the everyday pilot. You could compare it to a driver safety course one might take to get a discount or be considered a preferred customer on your auto policy.

What would an UAV policy cover? As I just mentioned, you will have your normal claims for lost or damaged UAVs but there are a number of other risks to consider. Theft, fire due to improper wiring or electronics, and personal injury are just a few common claims an insurer could see. But to expand further let me share with you a list of potential risks and coverages.

- Loss or damage to the UAV and associated equipment

□ Will Drone Insurance Take Off? – continued from page 3

- Coverage for aircraft operators, including other non-pilot, on-ground crew
- Manufacturer Product Liability
- Aviation and Premises Medical Payments
- Independent Contractors Liability
- Personal Injury
- Advertising Liability
- Contractual Liability
- Damage to Premises You Rent
- Third Party Legal Liability
- Premises Liability
- Fire Legal Liability

UAV policies are just like any other policy, you can lose your insurance if you have too many claims, fail to pay your premium, misrepresent or falsely provided key underwriting details, etc... But if you remember earlier in the article I mentioned that some carriers required a pilot training course and maintenance logs. Well failing to log your flights, repairs, upgrades, etc... is also grounds for an insured to cancel a policy.

So how much does UAV insurance cost? That depends on a number of factors? Including the replacement cost, age and condition of the UAV, the age of the pilot, the area the drone will be flying over, did the pilot take a training course, and hours of operation could all play a role in your final premium. You will also have to consider what types of coverage limits you want, or need, to carry. In most cases, drone insurance is broken out into two parts, Liability (third party damages or claims) and Hull Damage (specific to your UAV). So for example, if you have a commercial UAV insurance policy on a top of the line drone with a million dollar coverage you could have a premium between \$700 to \$1000 a year. (Again, depending on features and please note that these amounts are based on my general research at the time of writing this article.)

## Welcome, New IRES Board!

### 2016-2017 Executive Committee

- President: Tom McIntyre, CIE, CICS, AMCM, Georgia
- President-Elect: Kenneth Allen, AIE, California
- Past President: Tanya Sherman, AMCM, Delaware
- Vice President: Martha Long, CIE, MCM, Missouri,
- Treasurer: Cristi Owen, AMCM, Alabama
- Secretary: Tracy Biehn, MCM, North Carolina
- At Large: LeAnn Crow, CICS, AMCM, Kansas
- At Large: Randy Helder, AIE, NAIC
- At Large: Parker Stevens, CIE, AMCM, Unaffiliated

### Board Changes

- Cynthia Amann (elected to 4-year term)
- Sam Binnun (re-elected to 4-year term)
- Mark Hooker (re-elected to 4-year term)
- Martha Long (re-elected to 4-year term)
- Tom McIntyre (re-elected to 4-year term)
- Mark Plesha (re-elected to 4-year term)
- Jenny Jeffers (term end date changed to fill vacancy left by resigning Board member)
- Tanya Sherman (appointed to fill Jenny Jeffers' term)
- Pieter Williams (1-year appointment)
- Katie Dzurec-Dunton (1-year appointment)

So what does all this mean for the insurance marketplace? Well I'm not sure anyone really knows the answer to that question. Sorry! Many analysts and forecasters have stated that this will depend on the Federal Aviation Administration's (FAA) regulatory framework it proposed in 2015. In fact, many of the larger insurers operating in the U.S. have been reluctant to offer a specific coverage for drones until the FAA finalizes and implements their regulations. In summary, the FAA's proposed regulations "allow routine use of certain small unmanned aircraft systems in today's aviation system, while maintaining flexibility to accommodate future technological innovations." The proposed rules also address such issues as height restrictions, operator certification and operational limits. All said, I did find an interesting stat that predicted as many as 30,000 commercial and civil drones will be flying daily in the U.S. by 2020.

So what have I learned from all this? That the insurance world has a new risk high in the sky. I could see UAV insurance as a popular product now but a dim light in the marketplace in the future. Will this be a fad and drone sales will drop off in the coming years? I'm not sure but I do see the need for some kind of liability coverage. I certainly wouldn't feel comfortable owning a drone and not having it insured. More importantly... having me insured because I would surely crash into something. ■

### Sources:

[www.drone-insurance.com](http://www.drone-insurance.com)  
[www.uavcoach.com](http://www.uavcoach.com)  
[www.insurancejournal.com](http://www.insurancejournal.com)  
[www.mynewmarkets.com](http://www.mynewmarkets.com)

Parker Stevens has been working in the field of insurance regulation for over 16 years, performing market regulation and market analysis work on all the major lines of insurance.



# Incoming President's Remarks

By Tom McIntyre, AMCM

Due to time constraints at this year's Career Development ("CDS"), I did not provide a speech and I told all the attendees that I would use the *The Regulator*® as a forum to provide my speech. The speech has been edited from the original version for obvious reason.



Tom McIntyre

- continue to publish *The Regulator*® quarterly and maintain the index of articles
- continue to update the website and social media outlets
- work to enhance the IRES social media profile by actively seeking ways to attract more followers and to provide additional value to an IRES membership

First, Sam Binnun (Chair of CDS Committee) and Co-Chair, LeAnn Crow, deserve compliments on providing one of the best CDS's ever put on.

Next I will provide what each Committee has on its slate for the coming year.

## The Accreditation and Ethics Committee will

- pursue automation of the AIE, CIE and CICS applications in order to make updating and editing more efficient and timely
- pursue adding a Certified Healthcare Insurance Executive (CHIE) designation as an automatic AIE designation option under the Health Educational Path
- pursue the renewal of the AIE and CIE Trademarks in 2017 with our attorney
- explore the possibility of a lifetime membership, active retiree, and boomerang mentor programs
- it will also review and grant designations, review and revise curriculums, initiate and conduct investigations of ethical code violations, and review the CE program audits

## The Publications and Public Relations Committee will

- continue choosing "featured members" quarterly for posting to *Regulator* and website

## The MCM and AMCM Committee will

- finalize the Cybersecurity chapter for the MCM textbook and future classes
- hold at least four MCM classes during 2017. We have two scheduled at this time, one at the Foundation School and one at the Colorado Division of Insurance.
- look into an increase in the number of AMCM classes for 2017, or determine if additional classes will be offered at CDS

## The Membership and Benefits Committee will

- continue to promote the Al Gross/Jim Long Scholarships
- award a new "Tom Reents Memorial Scholarship"
- attempt to increase nominations for the Al Greer Award and Chartrand Communication Awards
- continue to be a resource for state chairs and attempt to increase Chapter activity.
- investigate and improve the data collection process of the membership rolls for both sustaining and general membership in an effort to maintain accurate membership data
- consider an email to lapsed or duplicate members to verify their status and make them aware of

possible updates for your membership profiles

- continue to update commissioners on the website
- continue to answer questions regarding membership issues that arise

## The Budget and Finance Committee will

- attempt to provide a budget by December 31st
- ensure financial statements comply with generally accepted accounting principles
- ensure the nonprofit tax return is prepared timely
- work to determine if IRES has enough in assets for investing in something with little or no risk

## The Education Committee will

- provide a full slate of webinars during 2017, including a IRES Foundation webinar series
- develop new ways for providing designation assistance to our members
- begin work on the creation of a course to teach proficiency in insurance computer aided data audit techniques with a focus on market conduct related data. They are currently working on a syllabus for the course. Once the course is created, it will explore the possibility of combining this course with other courses to develop a new designation program.

## The CDS Committee will continue to provide its membership with a great education experience, like this year's CDS was. Looking forward, it will:

- continue review all attendee evaluations from the 2016 CDS and will make adjustments as necessary for future CDS's. We take your feedback very seriously, please help us to provide you with the best experience possible
- attempt to gather all it can to avoid last minute changes that may reflect on your experience at a CDS

Executive Committee – continued from page 17

- This CDS Committee also works with our great Sponsors. Our CDS could not be put on without the financial support of our Sponsors. I want to thank our 2016 Sponsors again, by noting them in this forum:

### The Meetings and Elections Committee will

- attempt to complete two CDS

SPONSOR	LEVEL
Dentons	Platinum
Examination Resources, LLC	Platinum
Risk & Regulatory Consulting, LLC	Platinum
The INS Companies	Platinum
Carr, Riggs & Ingram	Silver
Lou Penn & Associates, Inc.	Silver
Noble Consulting Services Inc.	Silver
Greenberg Traurig, P.A.	Bronze
ExamFX	Patron
Regulatory Insurance Advisors	Patron
Wolters Kluwer	Patron

contracts during the next year, and attempt to do the same the following year. It appears that longer-term planning may provide greater flexibility in scheduling future dates and more importantly greater discounts on non-CONUS room rates

- work to update Committee documents and worksheets to accurately reflect what occurred during IRES's first round of electronic voting
- consider Salt Lake City as a potential CDS site, as Utah has contacted IRES expressing great interest in hosting an upcoming CDS

There has been a heavy attendance for the webinars in the past year, which is great, but in the past we have been able to provide for automatic credits for attendance. This currently is not available, so the Committee will work on a method to provide that service again.

It is a heavy agenda, but this year's IRES Chairs are up to the task.

Lastly, IRES will assist the NAIC in any way possible for the development of market regulation certification.

These committees will be performing to try to meet your needs as an organization. If you don't like the direction noted above, or if you would like to have something considered, or have a suggestion, I invite you to join a committee, run for the board, joining us to make a difference in IRES by pursuing any changes you deem appropriate. We want you and your ideas! ■

Tom McIntyre has over thirty years of insurance experience. He was employed by two insurers and has worked as a contract regulator for the past fifteen years. Tom was the EIC for all of the CMS "federal" examinations performed from 2002 to 2008. He has acted as an EIC on life and health, and property and casualty, and title insurers for several state insurance departments. As an EIC he has performed planning,

supervision, and review and report writing functions for completion of an examination. He is knowledgeable in TeamMate, Excel and Word. Between being employed by insurers and working in insurance regulation Tom ran his own business. He performed risk management for large commercial employers and performed premium audits for various insurance companies. Tom graduated from Central Michigan University with a BS in accounting and minor in business administration. He graduated from the business school with honors. Tom is currently the Director of Regulatory Insurance Services, with Dixon-Hughes Goodman LLP. He has earned the following designations: CIE®, AMCM®, CCP, CPCU, FLMI, AIRC, APA, ARA, ACS, CWCP, and CICS®.

## Past President's Remarks

By Tanya Sherman, AMCM

I would like to thank each and every one of you for all your contributions this year. I am honored to have served as the President of such a great organization. I would especially like to thank the Executive Committee members for taking charge and ensuring that the initiatives put forth were accomplished. The Board of Directors were pivotal in making sure that all of the objectives were met and assisted in implementing all of the additional tasks we established for the year. The individual committee members and volunteers should also be commended as they all gave their time to attend the calls, provide ideas, feedback, edits, and input on how to better this organization. Of course none of this success would have been possible without the help of our management organization that kept us on track, organized and efficient. The Synergos staff has been fun to work with and their expertise in organizational management benefited IRES with some great new concepts and ideas.



Tanya Sherman

There were a number of items that I had outlined as goals and objectives for this year and I'm happy to say that we accomplished virtually all of our goals with bonus achievements, as well.

The first objective was to provide additional educational opportunities, which we did by offering

a number of IRES Webinars. Randy Helder and Lisa Brandt really took charge of this objective and as a result of their efforts, we are looking at increasing the number of lines for these webinars.

A special thanks goes out to the following volunteers for drafting the new cybersecurity chapter for the MCM course: Jenny Jeffers, Michael Morrissey and Jerry Link. In addition to updating the MCM course, the AMCM was also updated to include cybersecurity; a special thanks to Cindy Amann, Marge Simpson and Kathleen Bergin for implementing those changes and drafting new test questions. In addition to these updates, we were able to successfully get

□ Past President's Remarks – continued from page 6

preapproval on the MCM, the AMCM and the IRES CDS for continuing education credits for the NAIC designations. The NAIC preapproval process for these three events was completely new for IRES and it would not have happened had it not been for Sam Hicks, Jim Mealer, Tom McIntyre, Cindy Amann, Sam Binnun and LeAnn Crow. Finally, we were successful in trademarking the AMCM course, due to the efforts of the MCM/AMCM committee chair, Tom McIntyre.

Under the leadership of the immediate past president, Parker Stevens, the IRES Publications and Public Relations committee put together some incredible issues of *The Regulator*® with the coordination and editor Stephanie Duchene. They also completed the website redesign which was started the previous year. One of the other major accomplishments of this committee was the expansion into other media sources. We are now up and running on LinkedIn, Twitter, You Tube and Google Plus. This same team also implemented the event app for the IRES CDS, as well as allowing IRES to test out the use of sending the certificates of completion electronically by utilizing QR codes. Jo LeDuc was instrumental in making all of these new technological advances for IRES, doing the research, testing and implementation. Luckily, Jo documented all of these processes, so that someday perhaps others can join the efforts.

The Membership and Benefits Committee continued to work on membership, benefits of membership, new recruiting ideas, quarterly state chair meetings, the development of a new scholarship to honor the IRES first president, Tom Reents. The committee also created/modified a new membership type for student members. Thank you to Martha Long, Holly Blanchard and LeAnn Crow for continuing to lead these membership efforts.

This group is lucky to have Nancy Thomas do on-site visits to the locations to ensure they can meet our meeting



needs. Ken Allen and Kallie Somme led the bylaws changes to allow for electronic voting, which included testing the new electronic application, drafting language, and making web form changes to the website. The Meetings and Elections Committee, under the leadership of Ken Allen, was able to revise the contract for upcoming CDS sessions in 2017 in Providence, Rhode Island and signed a new contract in 2018 in San Antonio, Texas. There was a special group of volunteers that researched universities in order to determine which ones are promoting insurance related educational programs.

**Your individual efforts make  
IRES a success.  
Thank you for volunteering!**

This group of volunteers included members from almost every committee. This group also developed a flyer that can be placed in commons areas to help promote our organization. Next up, we will be finishing the new student membership brochure and making it available for IRES and states to use in their recruiting efforts. Our hope is to be able to reach out to these universities and let them know about our organization and possible career paths within insurance.

he Accreditation and Ethic committee, led by Tracy Biehn and Angela Hatchell, took on a huge list of tasks, but by far the biggest accomplishment was the development of a Health only designation track for AIE and CIE designations. As a part of this goal, they renewed our partnership with America's Health Insurance Plans (AHIP.) The Accreditation and Ethics Committee accomplished a significant amount of edits to the NICE manual, the applications forms for AIE and CIE designations and, as a result of the new website updates, this group conducted significant changes to move previously paper forms into web based forms.

The CDS Committee created an amazing event with a number of additional tracks, great presenters and six Commissioners/Directors to join us at the CDS. A very special thanks to Sam Binnun, LeAnn Crow, Lori Gosline and Pam Siebert for all of their time and effort coordinating this event and getting us new laptops for these sessions. Thank you to Jo Fameree and the sponsorship subcommittee for their recruiting efforts, as well as Parker Stevens and Mark Hooker.

Unfortunately, despite all of our accomplishments, we did not finish one goal that I had hoped we would get to. The creation of a new program to replace



□ *President's Remarks* – continued from page 7

the IT track option no longer offered by the NAIC. This is still something that could happen. This session would be one to cover advanced analysis, technology, cybersecurity, etc. Now that we have a base in cybersecurity, we will continue to build this new program.

Finally, the last goal was to make sure that IRES played an active role in participating with the NAIC Market Regulatory groups. We accomplished this goal in many ways. We worked with the NAIC Education and Training Department to get our AMCM, MCM and CDS sessions approved for their designations, as mentioned previously.

We provided input to the Chair of the Market Regulation (D) Committee based on discussions from our Think Tank Session in Charleston, S.C. We were active in NAIC working groups like the Market Regulation Accreditation (D) Committee helping to ensure that IRES was included as part of the curriculum and training options. Finally, we will be sending out a letter to the Commissioners and Directors, reminding them about IRES and all the educational opportunities we have to offer.

All in all, this has been an incredibly successful year! Thank you all for accomplishing so much and for making it fun and enjoyable. I look forward

to continuing on as my new role as immediate past president. ■

Sincerely,

*Tanya V. Sherman*

Tanya Sherman, AMCM  
IRES Past President, 2015-2016

Tanya Sherman is currently the senior market analysis manager for the Delaware Department of Insurance and for INS Regulatory Insurance Services, Inc. In her current role, she conducts market analysis for Delaware and conducts market analysis and provides training on the market analysis process for other states.

## Rookie of the Year & Awards Presented at 2016 CDS

by Carla Bailey, CIE, CICS, MCM

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

- **President's Awards:**  
Tracy Biehn, MCM  
Jo LeDuc, CIE, MCM
- **Al Greer Achievement Award:**  
Anne Marie Narcini, CIE, MCM
- **Chartrand Communications Award:**  
Tracy Biehn, MCM
- **Schrader Nelson Publications Award:**  
Katherine A. Morgan
- **Rookies of the Year:**  
Courtney Bellmer, MCM  
Tyler Robinson  
Andrew Stoughton  
Adam Boggess, MCM

### Al Greer Achievement Award

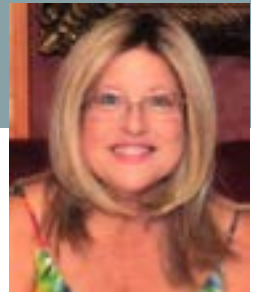
In 1998, the IRES Board of Directors established the Al Greer Achievement Award in honor of Al Greer. Mr. Greer was one of the original state insurance examiners who had the vision to establish the Insurance Regulatory Examiners Society in the late 1980s. As a founding father of IRES, Mr. Greer helped fashion the mission of IRES, namely, to raise insurance regulation to a highly respected profession marked by technical proficiency and ethical behavior. 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. Mr. Greer himself was the first recipient of this award in 1997.

It is with great pride that IRES names Anne Marie Narcini as the 2016 Al Greer Achievement Award winner. "In my 14 years as a member of IRES, I know of no other person who has contributed

more to the furtherance of efficient state insurance regulation than

Anne Marie Narcini," begins the nomination letter submitted to IRES. "Anne Marie has worked diligently in her capacities within the Society as well as in various NAIC working groups. During her tenure as a member of the IRES Executive Committee she has also served as Vice President of the Society, spearheading many projects to keep IRES moving into the future. Anne Marie did not give up active IRES participation when her executive term expired. She continued to be a valuable contributor to the organization as evidenced by being the 2015 recipient of the Schrader-Nelson award.

In addition to the Schrader-Nelson Award Anne Marie is also a recipient IRES Foundation's Paul Deangelo Memorial Teaching Award. Anne Marie holds the CIE, CPCU and MCM



Carla Bailey



□ Rookie of the Year & Awards Presented at 2016 CDS – continued from page 8

designations and earned the Senior Professional in Insurance Regulation (the NAIC's highest designation) from the NAIC.

**Her integrity, competence, openness, intelligence, leadership and willingness to help others, are impeccable and embody the values of IRES.**

She currently works in a consulting capacity to the Interstate Insurance Product Regulation Commission (Compact)."

### Chartrand Communication Award

For more than 20 years, David Chartrand and his incredible associates Susan Morrison, Elaine Bickel, Joy Moore, and Art Chartrand were at the helm of IRES.

Without the dedication and devotion of these diligent individuals, IRES would not be the organization that it is today. To honor the legacy and work Chartrand



Communications did for IRES, the Executive Committee and Board of Directors created the Chartrand Communications Award.

This award is to recognize those who have made a difference to IRES through their actions. Who has really strived to keep IRES moving toward the future? Who has helped increase membership and promoted us outside the conference and in the Insurance Community? Who continually tries to make a difference in IRES?

IRES is honored to recognize Tracy Biehn, MBA, MCM, LPCS as the recipient of the 2016 Chartrand Communications Award. According to her nominator, Tracy "...embodies all of the characteristics of an award winner." Her nominator explained how "Tracy, as a subchair on the Accreditation and Ethics Committee, developed new categories of membership as the AIE and CIE designations were expanded to be available to qualified candidates who are sustaining members. This required extensive work on revising the application forms, developing a new form for sustaining members, as well as revising the website and the NICE Manual. She took charge and helped make all of this happen, all while also managing the responsibilities of being the Director of the Market Regulations Division for the North Carolina Department of Insurance. Tracy was always positive even if the work required another conference call or more

revisions! She works incredibly well with others, which is instrumental, as much of the work involved required coordinating with members of other committees. Her positive attitude, energy and leadership skills will ensure

that she will be one of the ones to watch within IRES as a true leader."

### Schrader Nelson Publication Award

In 1994 the IRES Board of Directors established an award for the most significant contributions to IRES publications over the previous year. The Schrader-Nelson Publications Award honors the most outstanding original contribution to the Society's newsletter, *The Regulator*. The award is named in honor of the first chair of the Publications Committee, Tony

Schrader, and the first recipient of the award, Ben Nelson. Mr. Schrader is one of the Society's founding members, the first chair of the Publications Committee and a former editor of *The Regulator*. Mr. Nelson was the first recipient of the award and received it for his feature article in the March 1994 edition of *The Regulator* dealing with workers compensation reform in Nebraska.

Thank you to all of the people that have put in their time and effort to produce *The Regulator* over the past year, and I also want to thank all of the people that have submitted wonderful articles over the past year. There were a lot of great articles to choose from.

The winning article was featured in the Spring 2016 issue and was entitled "One Size Does Not Fit All: Network Adequacy in Health Insurance." The article was an informative, detailed perspective of the changes in network adequacy laws as a result of changes in the Affordable Care Act. The author and winner of this year's Schrader-Nelson Publications Award goes to Katherine A. Morgan. Ms. Morgan is an associate at Dentons in the Insurance Regulatory practice group. She advises health insurance and managed care clients on regulatory issues including



health care reform and the full range of state individual and group laws. She also counsels insurance-related entities such as producers and start-ups on all manner of licensing and other insurance regulatory issues.

□ *Rookie of the Year & Awards Presented at 2016 CDS – continued from page 10*

## Al Gross / Jim Long Rookie of the Year Scholarship

Sponsored by the Insurance Regulatory Examiners Society (IRES) and the IRES Foundation, the Al Gross/Jim Long Rookie of the Year Scholarship is named after two long-serving insurance commissioners who passed away shortly after retiring from their positions: North Carolina Insurance Commissioner Jim Long and Virginia Commissioner of Insurance Al Gross. Both of these commissioners were dedicated to serving their constituents. In reading about these men, the same attributes came up again and again: dedicated, leader, innovator and mentor. Neither were afraid to get involved in difficult issues and find solutions that look outside the box. Both men were recognized and touted as exceptional leaders by their peers and those who worked for them.

**2016 was a banner year for the Rookie of the Year Scholarships—IRES had the largest number of applications ever received.**

There were so many exceptional candidates that it was very hard to narrow it down to just four winners. Here's a look at the four scholarship recipients:

**Courtney Bellmer,** Courtney has been with the California Market Conduct Division since August, 2015. She chose to use her scholarship to attend the National School on Market Regulation. Of the School she commented, "I enjoyed speaking with regulators outside of my state and learning differences and similarities in the execution of market conduct exams as well as hearing directly from compliance managers and lawyers in the industry and their thoughts and concerns with market conduct examination and working with regulators." She enjoyed being there for

San Antonio's Fiesta celebration, with her River Walk hotel providing a front row seat to watch the Fiesta River Parade. Outside of work Courtney loves scuba diving, swimming, music, dancing, and hanging out with her dog.

### Tyler Robison

Tyler joined the Maryland Compliance and Enforcement Department in February, 2015. He is a Market Data Analyst who saw the job opening as a great fit because of his enjoyment of spreadsheet analysis. His fondest moment as a regulator, thus far, was working to gather information about the insurance costs of the Baltimore City Civil Unrest. Tyler is in the process of obtaining his APIR designation through the NAIC. He is using his scholarship to attend the MCM® Designation Program in Massachusetts. Attending the San Diego Comic-Con is on Tyler's bucket list, and his hobbies and interests include vinyl records and anything Star Wars.

### Andrew Stoughton

Andrew has been with the Office of the Commissioner of Insurance (OCI) for the State of Wisconsin since February, 2015. He earned a degree in economics from University of Wisconsin—Madison, and is responsible for a host of duties, including approval of service and warranty contracts, worker's compensation issues, and responding to consumer questions and complaints. Andrew's favorite experience with the agency was when he was told he would be representing OCI at Wisconsin Worker's Compensation Rating meetings. He states, "It was an honor to know that my bosses believed in me to have me represent the agency as a whole at these meetings." He enjoys playing and watching golf, which explains his desire to attend a Ryder Cup, and he notes it is in Wisconsin in 2020. He also

attends bar trivia around Madison and is into sports and sports analytics.

### Adam Boggess

Adam started at the Colorado Division of Insurance in February, 2014. His responsibilities include reviewing rate filings, documenting trends and



providing analysis regarding rate, form and binder filings. Additionally, he creates and manages tools in Excel to ensure accurate and timely reviews of filings, and provides training for new teammates and additional guidance for existing teammates on questions related to the Affordable Car Act and related acts and procedures.

Adam is a novice woodworker and does a bit of programming on the side. He really enjoys what the outcomes of both are (either a nice piece of furniture or creating efficiencies in my day to day work).

### Nominations

If you'd like to honor a member who's made significant contributions to the work of the Society or to insurance regulation, nominate them! For more information, visit: [go-ires.org/awards-recognition](http://go-ires.org/awards-recognition)



# Highlights from the 2016 CDS

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

The 2016 IRES CDS is in the books and was held at the beautiful JW Marriott Camelback Inn Resort & Spa in Scottsdale, AZ. The conference drew over 280 individuals to the Scottsdale resort which included a large number of first time attendees. The event kicked off with a welcome reception on Sunday night which was well attended despite some airline delays into Phoenix. Highlights of the Monday and Tuesday sessions included topics on cybersecurity, data/market analysis, ACA, suitability in life

and annuity, and many other current hot topics. All sessions were well attended. The annual IRES awards were presented at the lunch on Tuesday. Back again by popular demand was the CDS App which made it easy for attendees to check the schedule from their smartphone or tablet. One new feature at this year's CDS was the introduction of the electronic certificate check-in which replaced the old CE certificate pickup. Attendees simply scanned their name tags which prompted them to confirm their email address where their CE

certificate would be forwarded. The event closed with an appreciation reception on Tuesday evening.

Once again, our annual event symbolized the slogan of our organization: *Partnership in Regulation*. Save the date for next year's event: August 13-16, 2017, in Providence, RI. See you there! ■



Parker Stevens



A grand thank you to Don Hale for documenting the 2016 CDS in photos.



# 'Zoning In'

By Kathy Donovan, MCM

## Northeast Zone

### Connecticut

The Connecticut Insurance Department issued a Notice dated July 11, 2016 concerning requests it had received on the use of claims-made policy forms and cyber liability insurance coverage. The Insurance Commissioner has indicated that "insurers are permitted to file cyber liability insurance coverage forms on a claims-made basis," subject to the specific filing requirements.

### Delaware

Effective Aug. 3, 2016, HB 389 adds a new provision prohibiting insurers from terminating, or increasing any premium on, any casualty insurance solely based on the fact that a named insured, or any other operator who either resides in the same household or customarily operates an automobile insured under the policy, serves as a driver who is not monetarily compensated for a non-profit transportation entity, such as Independent Transportation Network of America and its affiliates.

### Pennsylvania

Pennsylvania's Notice 2016-08 advises private passenger motor vehicle insurers that the Department plans to "collect certain ratemaking data by tort election of the policyholder and tort election of the claimant in its future annual Act 6 of 1990 private passenger auto data calls." Standard ratemaking data is defined in the Notice. The Department will begin requiring this information from the 20 largest writers of private passenger motor vehicle insurance on an accident year basis, with its first data call on this information due on Oct. 15, 2017.



Kathy Donovan

## Southeast Zone

### Alabama

Bulletin 2016-04, dated June 8, 2016, replaces guidance on cancellation and rating of property and casualty insurance policies previously issued on Aug. 30, 1985. Included in this latest Bulletin are the following:

- (1) Mid-term cancellations are appropriate only on an individual risk basis;
- (2) When a risk or policy produces an unacceptably high loss ratio, insurers should attempt to reach a satisfactory solution, rather than a summary dismissal of the risk;
- (3) In the absence of conditions justifying mid-term action as indicated above, companies should allow policies to continue to previously established expiration dates;
- (4) Unjustified mid-term action by companies will be reviewed by the Department as an unfair trade practice;
- (5) In the event of a company-initiated premium increase or non-renewal of coverage, the Department has deemed that a minimum of 30 days' advance notice to the insured of such actions will be adequate.

### Louisiana

HB 935, effective Jan. 1, 2017, establishes the following new provision in Title 22: "Notwithstanding any other provision of law, insurers shall provide each policyholder with a written notification outlining any reduction in coverage in policy provisions at renewal. Any insurer that fails to comply with this Section may be subject to administrative penalties as determined by the commissioner, to include but not be limited to revocation, suspension of license, fines, sanctions, or any other

penalty provided to the commissioner pursuant to this Title.

## Midwest Zone

### Michigan

Bulletin 2016-19-INS on the "Annual Adjustment of the Maximum Work Loss Benefit and Survivors' Loss Benefits Payable under Policies of Personal Protection Insurance", dated Aug. 16, 2016, establishes the new work loss and survivors' loss benefit payable to be effective October 1, 2016 through September 30, 2017. This benefit is not permitted to exceed \$5,452 per single 30-day period, with this maximum applying pro rata to any lesser period of work loss.

### Minnesota

Bulletin 2016-3 addresses "third-party payments of premiums or cost-sharing expenses." Dated June 23, 2016, the department's Bulletin provides guidance regarding the circumstances under which carriers are permitted to accept third-party payments toward a policyholder's or certificate holder's insurance premium or out-of-pocket expenses (e.g. deductibles, copayments or coinsurance). Additionally, the Bulletin covers the issue of whether out-of-pocket expenses paid for by a third party must be counted towards the insured's deductible or out-of-pocket maximum, provides an applicability date and mandates certain policy language.

## Western Zone

□ 'Zoning In' – continued from page 12

## California

Effective Jan. 1, 2017, AB 2161 permits an insurer to “consider the installation of vehicle barriers as a safety measure, and may provide or offer a discount on the property owner’s insurance covering damage or loss to the covered commercial property or liability arising out of the ownership, maintenance, or use of the commercial property relative to the reduced risk to the property as a result of installation of the barriers if the discount provided or offered is provided or offered consistent with article 10 (reduction and control of insurance rates.)

## California

The Division issued its Revised Bulletin No. B-4.79 on Aug. 17, 2016, providing health insurers with revised templates including: (1) a template for a combined renewal and re-determination notice to be co-branded and used by carriers and Connect for Health Colorado; (2) a template for a co-branded notice for those consumers who have a health benefit plan through Connect for Health Colorado who cannot be automatically renewed; and (3) a renewal notice template to be used by carriers for off-exchange plans.

## Nevada

The Nevada Division of Insurance issued Bulletin 16-005 on July 22, 2016 addressing the use of aftermarket parts in motor vehicle repairs, reminding insurers of various requirements pertaining to the permitted use of, and standards for, non-OEM parts. Included in this guidance are references to mandatory disclosures, written consents, vehicle restoral to pre-loss condition, and repair performance. ■

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

# Educational Corner

By Jo LeDuc, AMCM

**I**t is that time of the year again and National IRES Continuing Education (NICE) Program deadlines are quickly approaching.



Jo LeDuc

The deadline to:

- Complete your continuing education was August 31, 2016
- Submit your continuing education credits is October 1, 2016

## How many credits do I need?

The NICE Program requires 15 hours of qualifying continuing education (CE) credit to be earned and reported each year. Courses submitted for credit must be completed during the current compliance period September 1, 2015 to August 31, 2016.

## How can I check to see how many CE credits I already have this compliance period?

You can check your CE credits any time online. Just visit the IRES website, log-in to your account and select My Credits under of the My Account menu option.

## How do I submit CE credits?

Submitting CE credits is easy and can be done online. Simply visit the IRES Web site, log-in to your account and select Continuing Education Program (NICE) under of the Designation Programs menu option.

## What if I am a few CE credits short?

The NICE program allows members to ‘reach back’ and use up to three excess hours from the prior year that were not previously used to satisfy your CE requirement. You may ‘reach back’ only one year and you must report the ‘reach back’ CE credits for this reporting period. IRES does not automatically

apply excess hours from the prior year to the current reporting period.

## What if I am not able to complete my CE by August 31, 2016, even using the ‘reach back’ option?

One year extensions to complete and report your CE are available to members

when circumstances prevent you from completing the required CE. Extensions are not automatic and must be requested prior to September 1, 2016. To request an extension, visit the IRES website, log-in to your accounts and complete the Extension Request Form (<https://www.go-ires.org/nice-submission/extension-request>).

For more information on the NICE program, see the NICE Program Manual available online at [www.go-ires.org](http://www.go-ires.org). ■

Ms. LeDuc is an Insurance Administrator at the Wisconsin Office of the Commissioner of Insurance and has been with the office since 1993. Ms. LeDuc has served and continues to serve in various roles on various NAIC committees, including the Market Regulation Accreditation Task Force, Market Information Systems Task Force, Market Analysis Procedures Working Group, Consumer Connections Working Group, Market Actions Working Group, and Market Regulation Examination Standards Working Group.

Ms. LeDuc is a member of and a past President of the Insurance Regulatory Examiners Society (IRES). She has a M.B.A. and a B.S. in Business Administration. In addition, she has earned the CIE (Certified Insurance Examiner), MCM (Market Conduct Management), CPCU (Chartered Property & Casualty Underwriter), AIRC (Associate, Insurance Regulatory Compliance), AIC (Associate in Claims) and API (Associate in Personal Insurance) designations.

## New Members

### Welcome!

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

### GENERAL MEMBERS

- ★ DaKings Ankrah, AIE (NY)
  - ★ Maureen Belanger (NH)
  - ★ Rhonda Bowling-Black, MCM (TN)
  - ★ Chris Cagle, MCM (MN)
  - ★ Heather Caillier, MCM (IL)
  - ★ Yvonne Clearwater, MCM (IL)
  - ★ Cynthia Colonius, MCM (unaffiliated)
  - ★ Uma Sanjay Dua, MCM (GA)
  - ★ Justin Dunlap (AK)
  - ★ Elizabeth Geis (NE)
  - ★ Cheryl Hawley, MCM (AZ)
  - ★ Jerry L Link (PA)
  - ★ Denise Matthews (NAIC)
  - ★ Rebecca Molina (CA)
  - ★ John Murphy (IN)
  - ★ Ralph Romano, AIE, MCM (PA)
  - ★ Marlys Rulon (AZ)
  - ★ Lysa Saran, MCM
  - ★ Sara Jean Schumacher, MCM (AZ)
  - ★ Steven R Sigler, MCM (unaffiliated)
  - ★ Cathie Ann Stewart (AZ)
  - ★ Rick Theisen, AIE
  - ★ Leah Thomas, AIE, MCM (TN)
- ### INDIVIDUAL SUSTAINING MEMBERS
- ★ Kelsey Brunette
  - ★ Kimberly Helsley, MCM (unaffiliated)
  - ★ Lisa Holland
  - ★ Kristine Tejano Rickard, MCM (unaffiliated)
  - ★ Janet L Smithson (FL)
  - ★ Theresa Ann Tyc
  - ★ Paige Waters (IL)

## New Designees

### Congratulations!

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

### AIE®

- ★ DaKings Ankrah, AIE (NY)
- ★ Sarah Lurene Bridendall, AIE, MCM (IN)
- ★ Cara R. Phillips, AIE, MCM (FL)
- ★ Ralph Romano, AIE, MCM (PA)
- ★ Rick Theisen, AIE
- ★ Leah Thomas, AIE, MCM (TN)

### MCM®

- ★ Lois Alexander, MCM (NAIC)
- ★ Lana Begunova-Struve, MCM (unaffiliated)
- ★ Jean Boven, MCM (MI)
- ★ Rhonda Bowling-Black, MCM (TN)
- ★ Heather Caillier, MCM (IL)
- ★ Tony Campilongo, MCM (unaffiliated)
- ★ Yvonne Clearwater, MCM (IL)
- ★ Cynthia Colonius, MCM (unaffiliated)
- ★ Bryant Cummings, MCM (TN)
- ★ Connard W Dillon, MCM
- ★ Katie Dzurec-Dunton, MCM (Federal)
- ★ Sally Fox, MCM (KS)
- ★ Ned Gaines, AIE, MCM (WA)
- ★ Christopher Gleason, MCM (MI)
- ★ Pierre J Glover, MCM (IL)
- ★ Donald E. Hale, AIE, MCM (AK)
- ★ Cheryl Hawley, MCM (AZ)
- ★ Susan Heenan, MCM

### CIE®

- ★ Jason Nemes, CIE, MCM (unaffiliated)

### CICSR®

- ★ Bruce W Glaser, CIE, CICSR (CO)
- ★ Sarah S. Malloy, CIE, CICSR, MCM (unaffiliated)

- ★ Mariel Kaufman, MCM (MD)
- ★ Leslie Key, MCM
- ★ Sheryl Lawrence, MCM (CA)
- ★ Monica Lopez, AIE, MCM (TX)
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- ★ Stacie Parker, MCM (TX)
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- ★ Kathy Starck, MCM
- ★ Carl John Surma, MCM (MI)
- ★ Leah Thomas, AIE, MCM (TN)
- ★ Truman Townzen, MCM (unaffiliated)

### FIRM SUSTAINING MEMBERS

- ★ Nationwide Insurance
- ★ Zenith Insurance Company

### RETIRED

- ★ Lynette M. Sloan, CIE (AZ)



## *The Regulator*<sup>®</sup>

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## Editor's Corner

By Stephanie Duchene, MCM

We hope you have enjoyed this issue of *The Regulator*<sup>®</sup>. If we were unable to attend the 2016 IRES CDS in Scottsdale this month, you can feel like you were there with Parker Stevens' highlights and pictures courtesy of Don Hale. Congratulations to our four Rookie of the Year Scholarship Winners, Courtney Bellmer, Tyler Robison, Andrew Stoughton Adam Boggess; the Chartrand Communications Award winner Tracy Biehn; the Al Greer Achievement Award winner Ann Marie Narcini; and the Schrader-Nelson Publications Award winner Katherine Morgan.



Stephanie Duchene

In this issue, Dan Brown and Martin Mankabany keep us up to date on the implementation of Solvency 2 in Europe and the impact it is having in the United States. In his article "Will Drone Insurance Take Off?" Parker Stevens gives us insight into the emerging area of drone insurance—who may want it, what it might cover and how much it might cost. Kathy Donovan, as always, keeps us Zoned In on recent regulatory developments around the country.

As we thank and say good bye to Tanya Sherman who served us so well as President this past year, we also extend a hearty welcome to Tom McIntyre as the new IRES President. We also welcome a number of new Officers to IRES. Thank you for your service!

Please let me know if you have any feedback on this issue, or idea for upcoming issues. It's your organization: make sure your voice is heard - right here in *The Regulator*<sup>®</sup>! ■

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

## NEXT ISSUE

We encourage our readers to contribute to *The Regulator*<sup>®</sup>. In addition to completed articles, we welcome suggested topics and/or authors. Submit your content and suggestions at [go-ires.org/news/the-regulator/submit-content](http://go-ires.org/news/the-regulator/submit-content).

– Your staff at *The Regulator*<sup>®</sup> (Stephanie and Dana)