



Process Review for Market Conduct Examinations: The Missing Piece of the Puzzle *Part 1 of 2*

by Donald P. Koch, CIE, AMCM

Have you ever wondered how the current market conduct examination process might be improved or felt that somehow the process was missing something? Have you noticed that the tests you apply during an examination do not necessarily give you as full a picture of the regulated entity under examination as you might like to have? The current examination process is designed to provide a snapshot of the results of a regulated entity's operations and to quantify the results of that operation in terms of compliance or non-compliance with the examining state's statutes rules and regulations. It is essentially reactive since the methodology is designed to provide a quantitative and microscopic view of errors or violations that occurred sometime in the past. It uses sampling methodology to select files for review and then applies standards and tests to determine whether the files reviewed comply with the applied test. The current process and methodology is not particularly good at identifying underlying causes for error unless they are fairly obvious. It is ineffective at identifying prospective or potential issues. The process is a horizontal view of the regulated entity's results at the operational level.

So what is the missing component in the examination process? What can the examiner do to provide a more complete



Donald P. Koch

understanding of the regulated entity's operation and it's efforts to comply with states' statutes, rules and regulations?

Issue Background

In 1996, while still working as Chief of Market Surveillance for the State of Alaska, I received a preliminary report from

my best team of examiners uncovering numerous violations of Alaska statutes by the company under examination. Upon reviewing the report submitted by my examiners, I was not able to detect any pattern to determine causation for the results observed. This was troubling because corrective action plans are difficult to structure absent distinct causation. On questioning, both the examiners and the insurer were not able to pinpoint causation or any reason for the errors.

"It occurred to me that an appropriately managed company ought to be able to detect the kinds of errors seen and take corrective action."

It occurred to me that an appropriately managed company ought to be able to detect the kinds of errors seen and take corrective action. It ought to be part of the management structure. It was clear in this case that management did not have a clue concerning why they were having

WHAT'S INSIDE

Letter from the President	4
Past President's Remarks	5
State Chairs Q and A	7
30 Year Anniversary	8
Member of the Month	9
Educational Corner	10
Highlights from CDS	11
Zoning In	12
New Members & Designees	14
Editor's Corner	15

MARK YOUR CALENDAR

ICAE's Fall 2017 Exchange

September 24-27, 2017
Pittsburgh, PA

IRES Foundation School

April 8 - 10, 2018
Tuscon, AZ

August 12-15, 2018

CDS & Regulatory Skills
Workshop | San Antonio, TX

August 18-21, 2019

CDS & Regulatory Skills
Workshop | Spokane, WA

Visit go-ires.org/events/upcoming for details and more upcoming events. ■

□ The Missing Piece of the Puzzle— continued from page 1

a problem. Their lack of management oversight and control was the problem. After a fair amount of research into management structures and processes, we have developed our current proposal.

Our proposal, currently before the NAIC Market Conduct Examination Standards (D) Working Group chaired by Director Bruce Ramage of Nebraska, is to add a chapter to the NAIC's Market Regulation Handbook (Handbook). The Chapter outlines and explains an additional examination methodology that can be used in conjunction with the current methodology or as a stand-alone methodology.

The principal regulatory interest in developing new tools for review is not the quantification of violation or error, but rather the qualification of the management structure and its ability to provide effective compliance on a current and prospective timeframe. Interestingly, the notion has some support from the General Accounting Office dating back to 2003. In its September 30, 2003 report, GAO-03-433 Insurance Regulation, the Government Accounting Office recognized the need to include corporate governance (process review) elements in the examination approach with the following statement in its conclusions: "In addition, existing computerized audit tools could allow regulators to substantially change the way examinations are done by shifting the focus from file review to a review of controls, systems, and processes and possibly by shortening the time needed for the examination."

We arrived at the same conclusion following our research arising from the 1996 experience. However we did not feel that the methodology needed to rely on any specific computerized audit tool. The point made was to suggest that a more vertical view of a regulated entity would be useful. The GAO has suggested a replacement of the current methodology, but I believe that a supplement to the current methodology is what is needed. How it would fit into a specific called examination would be part of the planning for that examination and dependent on the regulatory goals for that examination which is discussed later.

The Management Cycle and the Logic for a Process Review Methodology

The management of a well-run company, insurance or otherwise, adopts processes that are similar in structure. An absence or ineffective application of such processes in an insurance company often portends an adverse result usually detected in sample testing conducted during a market conduct examination. The management cycle typically includes the following components: Planning, Implementation, Measurement, and Reaction.

- **Planning.** The planning function in the management cycle is where direction, policy, objectives, and goals are formulated. The function is often predicated on a risk assessment and mitigation review. Planning is most often reflected in the written policies and procedures of the regulated entity. These may also be called processes, strategies, or directives, and are tested for clarity, currency, functionality, and conflict with existing statutes.
- **Implementation.** When the direction, policy, objective or goal is translated into a written procedure of the company and is disseminated throughout the company to appropriate and affected persons, implementation of the planning function in the management cycle occurs. It is important to test the quality of the procedure to assure that the regulated entity is effective and is distributing its directives. The elements of this testing includes but are not limited to: Is the procedure in writing? Is the procedure coherent, readable and on point? Is the procedure functional, does it fit the intended purpose? Does the procedure comport with statute and contain state exceptions where applicable? Is the procedure up to date? Is the procedure readily available to affected persons? Are realistic controls in place to assure the process is working as intended? Is the procedure utilized? Are affected persons trained in the use of the procedure? To what extent is the process control computerized?

Is the process periodically tested and updated?

- **Measurement.** The measurement function evaluates the results of planning and implementation and is usually found in internal audits, management reports, supervisory reports, minutes of the Board, minutes of the Compliance Committee, minutes of the Quality Review Committee, market conduct examination reports, etc. This measurement is concerned with the quality of information developed to inform the Board of the results and the effectiveness of its directives. This function must develop information that confirms or refutes that the intended process is utilized, functioning and working. Without measurement, management cannot know whether its directions are being implemented effectively. The measurement process must be written, formal, and documented. The question in this case is, how does the company know that its intended process is utilized, functioning and working?
- **Reaction.** The reaction function is where the company tests what it has learned through the measurement of its procedures. It needs to have some reasonable way to utilize the information arising out of internal audits, management reports, and complaint systems. This would typically be reflected in the responses to internal audits, management reports, supervisory reports, minutes of the Board, minutes of the Compliance Committee, minutes of the Quality Review Committee, market conduct examinations, and errors detected through company oversight. This information needs to flow directly back to management so that it can use these findings to modify procedures. The company should also resolve, through documented remediation, any errors that resulted in harm to policyholders and the public.

□ The Missing Piece of the Puzzle— continued from page 1

How a company manages its' operations is something that a company should know about itself. In some cases, Federal Law insists on it. The Sarbanes-Oxley Act of 2002 essentially requires documentation that certain levels of corporate governance are in place and operating.

Throughout the NAIC Market Regulation Handbook, there are suggestions in the review criteria for the various standards, to review a stated procedure. A procedure review should determine whether the management cycle relating to the procedure at interest has adequately considered each of the elements noted above. Unfortunately, the Handbook does not provide any guidance on how such a review should be accomplished.

How a company structures and documents its procedures will tell the regulator a considerable amount about the company. It will indicate whether a company is proactive or reactive in its management of its operations, whether the corporate compliance activities are a cause for concern, and, whether areas of concern to the regulator are managed in a way to avoid the need for regulatory interaction.

Policies and Procedures

Policies and procedures or processes are terms heard with some frequency, but they do not tend to evoke an image of how they might be used in a regulatory application. These terms in fact denote two different things.

“Policies” are the high-level general principles by which an entity guides the management of its affairs. It is not critical for the regulator to be concerned with policy statements except to the extent that they represent management’s direction to proceed in a particular manner. Policies may be the basis for procedures. Policies are generally too vague to require any regulatory interaction unless they are obviously in conflict with a statute.

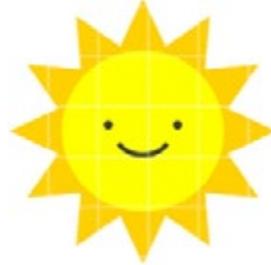
“Procedures or processes” are the specific methods or courses of action used to implement a policy or corporate directive. Many companies have processes in place that do not derive

from policy and do not really constitute procedures. In this presentation, process and procedure are used interchangeably. How a regulated entity structures and documents its' written processes tells the regulator a considerable amount about the regulated entity. Written processes indicate whether a regulated entity is proactive or reactive in the management of its operations. The regulator can determine whether the corporate compliance activities are a cause for concern and whether particular areas of concern to the regulator are managed in a way to avoid the need for regulatory interaction.

Throughout the Handbook, there are suggestions in the review criteria for the various standards to review a particular procedure. For example, Standard 2 for Operations/Management in Chapter 16 states, “Review regulated entity records, central recovery and backup procedures.” It then adds, “Review computer security procedures.” Standard 3 of the same section adds, “Determine if the regulated entity has procedures in place to prevent persons convicted of a felony involving dishonesty or breach of trust from participating in the business of insurance.” It also adds another, “Determine if the regulated entity has procedures in place to provide information regarding fraudulent insurance acts to the insurance commissioner and in a manner prescribed by the commissioner.” There are many other examples of a procedural or process review indicated in the Handbook. Unfortunately, the Handbook is silent concerning what constitutes such a review. The review of a procedure should determine whether the management cycle relating to the process at interest adequately considers each of the elements noted in the discussion of the management cycle.

The management analysis of written processes is a top-down look at how a regulated entity operates. It can be thought of as a vertical view of a regulated entity’s operation. It represents a somewhat different skill set than typically used in the conventional market conduct examination that is more focused on a “bottom of the ladder”

view or horizontal view of a regulated entity operation. Both methods are valid and may be used in conjunction with each other. To test the validity of the use of this approach, laboratory states have conducted examinations utilizing process review and conventional including sampling. The examiners have then compared the results of the samples impacted by particular written processes with the management analysis performed relating to that process and the findings have confirmed the utility of the methodology.



Review of written processes varies depending on the lines of business written by a regulated entity, the reason for examination (target or “baseline”), and a variety of other considerations. Each of the standards appearing in chapters 16 through 24 of the Handbook is a potential review subject.

Ethical Management

Ethical Management is management based on appropriate moral standards by which right choices are made. A critical element in any program to develop allocation of examiner resources is ethical management. Ethical management is not a direct standard currently in the Handbook nor is it a statutory requirement of the regulation of the business of insurance. However, the need for ethical management is strongly implied through the structure of those statutes. For example, a pattern of misrepresentations will raise strong doubts about an insurer’s ethical base. The standards and tests found in the Handbook are generally objective indicators that can measure this behavior. Factors such as regulated entity attitude and negative, confrontational, or resistive reaction by regulated entity management may be more subjective, but no less apparent, to the regulator. Likewise, a regulated entity with a reputation for being a “good corporate citizen” typically demonstrates a willingness and structure that is responsive to its customers. ■ *To be continued in next edition.*

Letter from the New President

by Ken Allen, AIE, CPCU

The names of those who attended are not known to me. And how many attended would be a guess on my part. Where did this gathering take place? Another fact that I don't have any information about, but some of you reading this may be able to shed some light on these points.

Hot topics such as affordable health insurance, repeal and replace, long term care, price optimization, cybersecurity, telematics, social media, drones, big data, autonomous vehicles, predictive modeling, user-based insurance and parametric or peer-to-peer insurance certainly were not discussed to the extent they are today. Instead, topics such as tort reform, the liability insurance crisis, and perhaps technology advances with respect to this thing called a personal computer and the impact of those advances on the business of regulating the insurance industry likely dominated the conversations.

That was 30 years ago, and over the course of four recent days in Providence, Rhode Island, we have celebrated a significant anniversary in the history of IRES, an organization that is dedicated to enhancing the efforts of insurance regulators by ensuring professionalism and integrity among those of us who serve to protect consumers and preserve a robust, competitive insurance marketplace. The principles that drove the creation of IRES 30 years ago are equally if not more important today.

Ten years ago, when IRES marked its 20th anniversary, the President of IRES at that time also happened to be from California, and also happened to be from the Rate Regulation Branch at the California Department of Insurance. I'm sure Polly Chan is a name familiar to many, and it is because of Polly and her dedication to IRES, her desire that California have an ongoing IRES legacy, someone to pass the torch to, that I am currently President of IRES.

I do note though, that with Polly taking over as IRES President at IRES' 20th anniversary, and myself taking over at the

30th anniversary, there seems to be a pattern here. So for my fellow California Department of Insurance colleagues, this is your advance notice to begin preparing for IRES' 40th anniversary. You have ten years to get your Presidential remarks ready!

But of course for the time being I must focus on the next twelve months and the job at hand. There is much work to do. To get a flavor of some of the objectives IRES is looking to accomplish over the next year, the Accreditation & Ethics Committee will continue to work on website updates including getting various IRES web-based applications, such as the designation applications, updated as well as updating the curriculum that can be taken to achieve each of the IRES designations. The MCM/AMCM Committee will continue its work on redesigning the AMCM course. The Membership & Benefits Committee will consider ways to make a State Chair's life a little bit easier, seeing what options are available to State Chairs in terms of notifications being sent to the Chair when a new member joins their chapter or their chapter roster changes. And the CDS Committee will immediately start work on putting together another fine program for next year's CDS in San Antonio, Texas.

In mentioning IRES' committee work, one of my goals is to encourage IRES members who currently do not serve on or participate on a committee, to join a committee. I know we are all busy at our jobs; it is difficult to even find the time to participate on an IRES related conference call once a month. Some subcommittees even meet more often than that. And some calls happen during lunch (well, that happens a lot on the west coast!).

Polly Chan had to twist my arm a bit a



Ken Allen

little over ten years ago to get me to join the Accreditation & Ethics Committee that she was Chairing at that time, and I'm glad she was persistent. I learned so much not just about IRES and its purpose as an organization, but about the behind the scenes of what makes IRES such a great organization, what makes it tick: from the budgeting process to coordinating all necessary details in putting on a CDS; from working on matters related to retaining and growing membership to figuring out where the CDS should be held in the future and the thoughts and considerations that go into securing a hotel contract. And if not for any other reasons, my various experiences with IRES over the last ten plus years have certainly enhanced my professional knowledge, skills, and abilities, and I have had the pleasure of meeting and working with some amazing people who I would have otherwise never gotten to know. It is for these many reasons that I am thankful for IRES, what it stands for, and the work that it does.

So there is my challenge to you: find a committee or a subcommittee that sounds interesting, a place where your contributions can help shape IRES' future, and give it a try. You never know what the experience might lead to someday.

In closing, I look forward to the coming year as IRES President, as busy as it will be. Whatever challenges lay ahead, some known, some unknown, IRES has a strong Executive Committee, a strong Board of Directors, and most importantly a very strong membership base to meet and exceed those challenges as we celebrate 30 years of IRES, *honoring the past, and embracing the future.* ■

Ken has been with the Rate Regulation Branch of the California Department of Insurance since 1989. He was promoted to Deputy Commissioner of the Rate Regulation Branch in September 2016. Joining IRES in 2000, Ken has served on the Accreditation & Ethics Committee and the Membership & Benefits Committee, was Chair of the CDS Committee in 2014-15, Chair of the Meetings & Elections Committee, and now President. Ken holds AIE® and CPCU designations, and he was elected to the IRES Board in 2013. Ken, his wife, and daughter live a commuter train's ride outside of Los Angeles and enjoy all of the amenities that Southern California has to offer.

Past President's Remarks

By Tom McIntyre, CIE, CICSR, AMCM,

Thank you to each Committee Chair for their outstanding accomplishments noted below. Thank you to each Committee Member for participating and making the noted accomplishments possible. Thank you to the state governments that allow its employees to participate on committees and to the contracting firms that allow their employees to participate. Thank you to our sponsors, as CDS would not be possible without your financial support. Thank you to everyone that attended this year's CDS. Finally, thank you for allowing me to serve on your behalf.

Thank you to the IRES Executive Committee:

Tracy Biehn	Accreditation & Ethics
Cristi Owen	Budget & Finance
LeAnn Crow	CDS
Randy Helder	Education
Tanya Sherman	MCM/AMCM
Ken Allen	Meetings & Elections
Martha Long	Membership & Benefits
Parker Stevens	Publications & PR

Accreditation and Ethics: The A&E Committee made the following updates for the AIE/CIE General and/or Sustaining Member Applications:

- Qualifying Work Experience language added to the General Member Application.
- Added LOMA 310 as an alternative course to LOMA 311 to both the General and Sustaining Member Applications.
- Added LOMA 307/308 as alternative courses to LOMA 361 to both the General and Sustaining Member Applications. Added FAHM as automatic AIE opportunity under the Health Educational Path.
- Added National Association of Health Underwriters to the list of

vendors and referenced "ChHC" Designation.

- The Chartered Healthcare Consultant® (ChHC®) designation has been moved to the National Association of Health Underwriters.

The Committee also completed an addition of the NICE Waiver Request to the NICE Extension Request on the IRES website.

- The addition of the NICE Waiver Request allows a member to submit a written request for a waiver of the reporting requirements for one year on an exception basis for situations such as serious illness.
- Once submitted, the member will be contacted to provide a statement regarding his/her situation for the Committee to review at the next scheduled meeting.

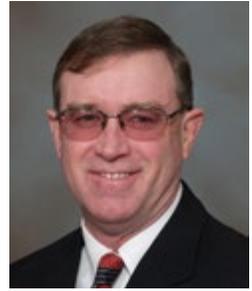
The NICE Program Manual was updated by adding Qualifying Work Experience language, adding IRES Webinar language and added language related to a maximum of 12 hours for attendance at NAIC National Meetings.

In addition, the A&E Committee explored International opportunities through an evaluation of courses offered by different organizations and communicating with other countries and international counterparts, and renewed the CE Discount Agreement with AHIP for 2017.

During the end of 2016, IRES completed renewal applications for the AIE and CIE trademark registrations. This must be completed every ten years.

Budget and Finance: This Budget and Finance Committee is tasked with maximizing investment income, maintaining financial solvency, and to facilitate effective financial operations. The budget was completed efficiently and in a timely manner. Our nonprofit

tax return was filed timely. The financial statements were formatted to comply with generally accepted accounting principles using the modified-cash-basis of accounting. IRES is in good financial condition.



Tom McIntyre

CDS: This year's CDS included over 70 different speakers across seven tracks including: Financial, Health, Market Regulation, Property & Casualty, Life & Annuities, IT and a Think Tank Session. The session topics ranged from regulatory issues to Disability Income Products, Mental Health Parity, Long-Term Care and Wildfires. The Keynote Speaker was Commissioner John Doak (OK) and our Welcome Address was from Superintendent Elizabeth Kelleher Dwyer (RI). Since this CDS was celebrating the 30th Anniversary of IRES, the CDS Committee offered a Scavenger Hunt game to those individuals who wanted to voluntarily participate. The individuals who completed the required 30 points, their names were placed for a drawing and small prizes were given at the Tuesday evening Appreciation Reception.

Sponsorship Committee- the CDS Sponsorship Committee was successful in raising \$41,500 (as of this writing). We had nine (9) Sponsors: four (4) platinum sponsors, three (3) silver sponsors, one (1) Bronze sponsor and one (1) Patron.

The CDS Committee also sent out two (2) E-blasts each month advertising the CDS and providing details about the session topics and speakers as advertising for the event. Twitter and Linked-in was also used as advertising venues.

We also sent a survey to prior IRES attendees who had not registered for the 2017 conference asking about attendance. (This was done since our initial registration numbers were down). The

□ Past President's Remarks – continued from page 5

most common response was budget restrictions.

The CDS Committee agreed to continue to use the electronic check-in for attendees to receive their conference certificates which saved the CDS Committee the cost of printing and postage.

Social – The CDS Committee held a “30th Anniversary Celebration” on Sunday evening, with having a live band for our entertainment and we had an “Appreciation Reception” on Tuesday evening, with a comedian as our entertainment.

MCM/AMCM: IRES offered and had successful MCM classes in Chicopee, MA during November, 2016, at the IRES Foundation meeting during March, 2017, at the Colorado Division of Insurance during April, 2017, and in Bethesda, DC during May, 2017, and at CDS in Providence, RI during August, 2017.

The MCM text book was upgraded for the changes at the NAIC and because of our ever changing insurance industry. Revisions to the MCM textbook included:

- Updates to NAIC Committee references;
- Updated NAIC databases;
- Updated list of SDR's; and
- Incorrect and outdated references were updated or removed.

Revisions to the MCM Course Workbook included:

- Removal of possible discriminatory references;
- Diversification of names;
- Other non-substantive changes;
- One new case study was created.

The MCM Test updates included:

- Removal of outdated references to NAIC systems; and
- Clean up any answers that could have multiple correct responses.

The AMCM Subcommittee reviewed evaluations from the course at last year's

CDS and also looked at similar associations and advanced course curriculums. Based on those evaluations and feedback, it was recommended to revise the AMCM program to be more comprehensive and to meet advanced course requirements.

Education: The Education Committee completed seven webinars in the past twelve months. The sessions were open to all IRES General and Sustaining members and eligible for IRES Continuing Education Credits for those individuals who pre-registered for the webinar. The feedback from those in attendance indicated all of the presentations were outstanding.

Meeting and Elections: The Committee completed two Career Development Seminar (CDS) contracts this year for 2019 and 2020. They updated Committee documents and worksheets to reflect the switch from paper Board of Director voting to electronic voting. The documents and worksheets were also updated to address the audit of the Board of Director voting.

Membership and Benefits: The Committee made efforts to reach out to lapsed members and update information where needed. They also updated the presentation of membership data available to the board to make it more user friendly. In addition, they held seven meetings by conference call for state chairs.

The Committee also awarded four Al Gross/Jim Long Rookie of the year scholarships for four zones, the Southeastern, Midwestern Northeastern and Western zones. In addition, it organized the first Tom Reents Award, which was a memorial presented to the Reents family in honor of an educational award in his name. The Committee also selected recipients for the Al Greer Award and the Chartrand Communication awards.

Publications & Public Relations

Committee: The Committee published *The Regulator*[®] quarterly. They started indexing the articles from *The Regulator*[®] and will continue to do so until all

the articles are indexed. Each quarterly newsletter included a feature member or Executive Committee Member.



The Website and Social Media Subcommittee

worked with Synergos to make edits to the website. They also maintained the social media outlets by posting events, announcements, and news to promote IRES activities.

The committee continued to update the website and social media outlets. It worked to enhance the IRES social media profile by actively seeking ways to attract more followers and to provide value to the IRES membership. ■

Tom 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 Insurances Services, with Dixon-Hughes Goodman LLP. He has earned the following designations: CIE®, AMCM®, CCP, CPCU, FLMI, AIRC, APA, ARA, ACS, CWCP, and CICS®.

**Advertising Space
Available!**

If you're interested in
advertising in *The Regulator*[®],

August State Chair Regulator Article

By Holly Blanchard, FLMI, ACP, CCP, AINS, AIRC

Behind the scenes of IRES, your state chairs are hard at work creating new opportunities & options for our members. To introduce you to these unsung heroes, we will feature a state chair in each addition of *The Regulator*[®]. This month, our featured state chair is Laura Klanian from Virginia



Laura Klanian

on our membership. As Virginia chapter members requested, I have been and will continue to help them satisfy their CE requirements. I have also introduced some Bureau of Insurance employees to being a part of this great organization as well as introducing IRES to our chapter officers. I have participated on State Chair calls, provided suggestions for webinars, and recently

submitted a suggestion that is under consideration by the Membership Committee. I look forward to continuing in this capacity & to the future with IRES.

5. What do you think IRES should consider to ensure that they always are a great organization for Regulators and Industry members?

Continue to hold conferences, webinars, and MCM/AMCM classes. ■

1. Tell us a little about yourself.

I am a Senior Insurance Market Examiner with Virginia State Corporation Commission's Bureau of Insurance in the Life and Health Division. I have been with the Bureau of Insurance for 12 years. Having worked in the insurance industry in a provider's office, for a DME provider, specialty hospital, a TPA, and insurance companies in a variety of capacities, my work experience provided me with a range of experience and understanding of how things work. I received my AMCM from IRES in 2016 at the Scottsdale, AZ CDS. I am a New York native, formerly lived in Pittsburgh, PA and currently enjoy living in the Virginia.

2. How long have you been an IRES member?

I joined IRES not long after starting employment with the Bureau of Insurance.

3. What made you get involved as a State Chair?

I like being involved, helping others, and meeting new people. Being familiar with IRES, I knew what was required and needed as Virginia's State Chair. At the request of our membership, I have been scheduling regular educational webinars to help our members satisfy their continuing education requirements.

4. What impact do you want to have as a state Chair?

This being my first year in office, I believe my contributions have had an impact

SPONSOR:

**REGULATORY
INSURANCE ADVISORS**
STATE | FEDERAL | INTERNATIONAL
ENHANCING INSURANCE REGULATION

Regulatory Insurance Advisors' (RIA) team of experts provides timely assistance for emerging, complex and traditional insurance regulatory issues.

Our committed focus on enhancing insurance regulation results in improved consumer protection and sustained positive outcomes.

Holly Blanchard, President
hblanchard@riaconsulting.net

Pieter Williams, General Counsel
pwilliams@riaconsulting.net

Lincoln, NE | Freeport, ME
402-217-7745 | 207-228-4603

www.RIAConsulting.net

Celebrating 30 Years of Service

by Jo LeDuc, AMCM



Jo LeDuc

As we approach the 30 year anniversary of the creation of IRES this October, it is only natural to step back and take a look at where we came from and reflect on all that IRES has accomplished.

IRES came to life in response to a need to develop and educate professional market regulation staff, both market conduct examiners and consumer services staff. This need arose as the role market regulation played in the broader scope of insurance regulation grew. A need for professional market regulators may have been the impetus for the organization, but from the very beginning the organization was meant to embrace all disciplines of insurance regulation.

During the formative stages of the organization, the organization had three names. Initial the working name of the organization was the Society of Market Conduct Examiners (SOMCE). The second working name was the Society of Insurance Regulatory Examiners (SOIRE). Ultimately the founders settled on a more generic name - the Insurance Regulatory Examiners Society (IRES). The generic nature of the name was a conscious decision by the founders to reflect the all-inclusive nature of the organization.

IRES was officially established as a nonprofit organization in October 1987. The purpose of the organization was to enhance the efforts of insurance regulators, regardless of their area of expertise, by ensuring professionalism and integrity among the men and women who serve with state or federal insurance regulatory bodies. This is still a core philosophy of IRES today.

The first meeting of IRES was held in Phoenix, AZ, in December of 1987. At the meeting, the Board of Directors and the officers were elected. By year end, IRES has 476 charter members.

In March of 1988, the first Accreditation Committee meeting was held to review 61 designation applications. Twelve (12) Accredited Insurance Examiner (AIE®) designations and thirty-seven (37) Certified Insurance Examiner (CIE®) designations were awarded. By November of 1988, the amount of work needed to sustain the organization was too much for volunteers to manage in their spare time; so IRES hired Chartrand Communications to provide administrative services to the organization.

As 1989 started, IRES membership stood somewhere around 1,000. The 1st annual Career Development Seminar

(CDS) was held in Kansas City, MO in June of 1989. Close to 150 attendees were present. In addition, IRES had begun regularly publishing an organizational newsletter – *The Regulator*®.

In less than two years, the organization had gone from a vision by the founding members to reality. In the years since its inception, the pace of IRES has done anything but stand still. The organization has grown, adopted, & expanded in an effort to continue to meet the needs of its members while fulfilling its mission.

Over the last 30 years, IRES has:

- Continued to hold an annual CDS, which remains a premier educational event for insurance regulators
- Continued to regularly publish *The Regulator*®
- Adopted a Code of Professional Conduct and Ethics
- Established the President's Award to recognize individuals who has made a significant contribution to IRES and the regulatory profession
- In conjunction with the NAIC, launched a market regulation school (aka Regulating the Marketplace School)
- Continued to provided support to local State Chapter of IRES, including hosting quarterly informational meeting for all State Chairs
- Established the Schrader-Nelson Publications Award established to honor the most outstanding original contribution to *The Regulator*® over the previous year
- Implemented the National IRES Continuing Education (NICE) program to demonstrate that members holding IRES designations are committed to furthering their knowledge/skills
- Hosted educational workshops & roundtables (including joint sessions with SOFE) during NAIC national and zone meetings
- Secured service-mark protections of the AIE®, CIE®, CICS® & AMCM® designations, protecting and enhancing their value
- Established the Al Greer Achievement Award presented to Al Greer to recognize an insurance regulator and IRES member who not only embodies the dedication, knowledge and tenacity of a professional regulator, but who exceeds those standards
- Launched a website, which has grown from providing basic information about IRES to a fully interactive site with online membership applications, online CE reporting, and IRES event registration

□ Celebrating 30 Years of Service – continued from page 8

- Being more transparent to the membership through posting financial information & meeting minutes in the members area of the website
- Established a presence on social media
- Partnered with Lands' End to create the IRES E-store, so members can purchase IRES logo apparel in order to show their pride in and support the organization
- Created the Certified Insurance Consumer Service Representative (CICSR®) program
- Established the Chartrand Communications Award to recognize those that have made a difference to IRES through their actions
- Established the Market Conduct Management (MCM®) designation program
- Formed a Past President's Council to help advise the Board of Directors on specific matters under consideration
- Partnered with educational providers, giving qualifying IRES members access special discounts on a variety of educational opportunities
- Established the Al Gross/Jim Long Rookie of the Year Scholarship program
- Opened the AIE® and CIE® designations to Sustaining members
- Created an open forum workshop (aka the Regulatory Skills Workshop immediately following the CDS) to provide an avenue for an open exchange of ideas related to market regulation
- Worked collaboratively with other organizations such as SOFE & the AICP to further the organizations agenda
- Launched the Advanced Market Conduct Management (AMCM®) designation program
- Established the Thomas L. Reents Memorial Scholarship established in honor of the Society's first President to honor a State Regulator who has demonstrated exceptional promise, professionalism and a commitment to continual improvement
- Created a Designation Assistance program to help regulators working toward their IRES designation by providing online facilitated learning sessions
- Established the IRES webinar program to help members expand their knowledge and meet NICE program requirements

While the list is nowhere near complete and most certainly not in chronological order, it gives you a sense of how much has happened over the years. All of which would not have been possible without the dedication of so many volunteers and the continued support of the entire IRES membership and the IRES Foundation.

It is true, IRES has accomplished a lot, but there is so much more to do. Happy anniversary IRES, here's to the next 30 years! ■

IRES Member of the Month

This Issue: Pieter Williams, MCM, Unaffiliated

Q1: Who do you work for? What is your job title? And in a very short description what are your daily duties?

A1: I work with Regulatory Insurance Advisors, LLC (RIA). My title is General Counsel & Chief Operating Officer. In this role, I provide regulatory services for state and federal regulators, regulatory consulting for insurers, and oversee operations of RIA. RIA's primary goal is to enhance existing capabilities of insurance regulators and to promote balanced regulation of the industry. My prior experience includes 14 years as Senior Regulatory Counsel for Unum Group

and being a litigation attorney in private practice.

Q2: How long have you been an IRES Member and what made you decide to join?

A2: I have been an IRES member for about 10 years.

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

A3: Currently, I serve on the IRES Board of Directors, and Membership and Benefits, MCM/AMCM, and Accreditation

and Ethics committees. I am co-chair of the MCM/AMCM Committee and previously was a member of the IRES Foundation Board of Directors.

Q4: How many IRES CDSs' have you attended?

A4: At least 10.

Q5: Is there one session at a CDS that stands out in your mind and why?



Pieter Williams

Member of month continued from page 9

A5: Anything with Jim Mealer and/or Paul Hanson as presenters.

Q6: What is a personal or career goal that you would like to accomplish in the next 5 years?

A6: Smartly grow RIA with my partner Holly Blanchard so that our company is a long-term success.

Q7: When you aren't working what are your hobbies?

A7: Fly fishing, landscaping, projects at home, and spending time with family, our dogs, and friends.

Q8: Where did you attend college, what was your major(s), and what was one of your more memorable moments?

A8: I attended the State University of New York at Plattsburgh and majored in sociology. I also attended the Delaware Law School and received a law degree.

Q9: What is your biggest personal or professional accomplishment?

A9: A professional accomplishment that is valuable to me is having the opportunity to mentor colleagues, friends, and peers on insurance regulatory matters and professional development. ■

Webinar

Stay tuned for our next IRES Webinar coming Fall 2017. Complaint Coding and Reconciliation will be presented by Stacy Rinehart from the Kansas Insurance Department. Additional details will be sent via email to all IRES members soon!

Educational Corner

By Jo LeDuc, AMCM

The National IRES Continuing Education (NICE) Program deadlines are quickly approaching.

The deadline to:

- Complete your continuing education is August 31, 2017
- Request an extension to complete CE is September 1, 2017
- Submit your continuing education credits is October 1, 2017

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, 2016 to August 31, 2017.

To check your credit or submit CE credits, visit the IRES Web site and log-in to your account. Check your credits by selecting My Credits under of the My Account menu option. Submit CE credits by selecting Continuing Education Program (NICE) under of the Designation Programs menu option.

If you are a few credit short this year, you can '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



Jo LeDuc

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

If you are unable to complete your CE this year, one year extensions to complete and report your CE are available. Extensions are not automatic and must be requested prior to September 1, 2017. 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. ■

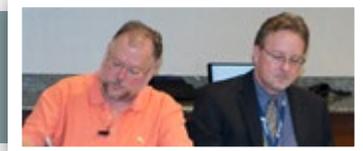
Ms. LeDuc is an Insurance Administrator at the Wisconsin Office of the Commissioner of Insurance and has been with the office since 1993. Ms. LeDuc has served and continues to serve in various roles on various NAIC committees, including the Market Regulation Accreditation Task Force, Market Information 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.



Highlights from the 2017 CDS

by Michael Morrissey, CISSP, CISA, AES and AMCM



Nearly 300 members and interested parties attended this year's IRES CDS and Regulatory Skills Workshop at the Omni Providence Hotel, August 13th through the 16th. This year's theme was "Honoring the Past and Embracing the Future," and it was only fitting to hold IRES 30th Anniversary CDS in one of America's oldest port cities, Providence, Rhode Island, founded in 1637. Sunday's Reception featured fine food and great music from the 60's to present by the group Brother2Brother.

Highlights of the Monday and Tuesday breakout sessions included Long-Term Care, Wildfire Risks, Big Data, the Cybersecurity Model Law and Risk-Focused Surveillance and other hot topics. Several sessions addressed the rapidly evolving health insurance arena and the Affordable Care Act.

An engaging Commissioners Round Table discussion featured Commissioner Doug Ommen (IA), Commissioner Ken Selzer (KS), Commissioner Al Redmer, Jr. (MD), Superintendent Eric Cioppa (ME), Acting Director Chlora Lindley-Myers (MO), Commissioner John Doak (OK) and Superintendent Elizabeth Kelleher Dwyer (RI). At lunch on Tuesday, IRES was excited to announce the following IRES award winners:

- Al Greer Achievement Award | Andrea Baytop
- Chartrand Communications Award | Pieter Williams
- Schrader-Nelson "Article of the Year" Publications Award | Kathy Donovan

- President's Award | Ken Allen & Jim Mealer
- Thomas L. Reents Memorial Scholarship award | John Huh
- Award of Distinction | Tom McIntyre
- The Al Gross/Jim Long Rookie of the Year Scholarships were awarded to Letha Tate, Lori Carlson, Maureen Belanger and Shugian Guan.

Looking to the future, remember next year's CDS begins August 12, 2018, in San Antonio at the Hyatt Regency on the beautiful San Antonio Riverwalk. See you all there! ■

View all image
<https://flic.kr/s/aHsm3mqp4e>



A grand thank you to Don Hale for documenting the 2017 CDS in photos.

'Zoning In'

By Kathy Donovan, MCM

Northeast Zone

Connecticut

HB 7183, effective Oct. 1, 2017, defines "short-term care policy" as "any group health insurance policy or certificate delivered or issued for delivery to any resident of this state that is designed to provide, within the terms and conditions of the policy or certificate, benefits on an expense-incurred, indemnity or prepaid basis for necessary care or treatment of an injury, illness or loss of functional capacity provided by a certified or licensed health care provider in a setting other than an acute care hospital, for a period not exceeding three hundred days." Additionally, this bill establishes form and rate filings requirements, required written disclosure of the benefits and limitations of the policy or certificate and claim provisions.

Maine

HP 3488 24-A, effective Jan. 1, 2018, defines "surprise bill" and establishes requirements including:

- A carrier shall require an enrollee to pay only the applicable coinsurance, copayment, deductible or other out-of-pocket expense that would be imposed for health care services if the services were rendered by a network provider;
- A carrier shall reimburse the out-of-network provider or enrollee, as applicable, for health care services rendered at the average network rate under the enrollee's health care plan as payment in full, unless the carrier and out-of-network provider agree otherwise; and
- Notwithstanding paragraph B, if a carrier has an inadequate network, as determined by the superintendent, the carrier shall ensure that the enrollee obtains the covered service at no greater cost to the enrollee than if the service were obtained



Kathy Donovan

from a network provider, or shall make other arrangements acceptable to the superintendent.

Midwest Zone

Kansas

Kansas has joined the list of states enacting the Corporate Governance Annual Disclosure (CGAD) Act under SB 16, effective Jan. 1, 2018. The first filing of the CGAD shall be in 2018.

Kentucky

Issued July 14, 2017, Bulletin 2017-2 clarifies the Kentucky Department of Insurance procedures for insurers to report suspected fraudulent insurance acts. Specifically, licensees must submit fraud reports directly to the Division of Insurance Fraud Investigation "to satisfy the requirement that all insurers, agents, or other persons licensed by the Kentucky DOI are required to report any and all suspected fraudulent insurance acts. No exemption or alternative reporting procedure is authorized under Kentucky law." Effective Aug. 1, 2017, the Fraud Division will no longer receive submissions from the NAIC Online Fraud Reporting System or other intermediaries.

Southeast Zone

Florida

HB 1007, which includes various effective dates, revises requirements applicable to an insurer's designated anti-fraud unit or division, including the content of anti-fraud plans, reporting and training. Additionally, a related bill, HB 1009 effective June 26, 2017 provides that corporate anti-fraud plans, including the description of anti-fraud education and training and the description of its anti-fraud investigative unit rationale for the level of staffing and resources it provides to the Department of

Financial Services, are no longer subject to public disclosure.

North Carolina

Effective Oct. 1, 2017, HB 466 enacts additional consumer protections concerning pharmacy benefits managers (PBMs), including the following:

- Pharmacies and pharmacists have the right to provide an insured with information regarding the amount of the insured's cost share for a prescription drug, and may not be penalized by PBMs for discussing any information described in this section, or for selling a lower-priced drug to the insured, if available;
- Prohibits PBMs from contractually prohibiting a pharmacy from offering and providing direct and limited delivery services to an insured as an ancillary pharmacy service.
- Prohibits PBMs from charging, or attempting to collect from, an insured a co-payment that exceeds the total charges submitted by the network pharmacy; and
- Specifies that any contract between a PBM and an insurer, for the provision of a network to deliver health care services, must be made available for review by the DOI.

South Carolina

Effective Jan. 1, 2018, HB 3488 enacts new sections in the South Carolina Insurance Code that allow an insurer to deliver, store, or present evidence of insurance coverage by electronic means. New requirements include certain conditions that must be met in order for a notice or document to be delivered by electronic means, as well as prohibited adverse actions in that no insurer may cancel, refuse to issue, or refuse to renew a policy because the applicant or insured

refuses to agree to receive mailings electronically. Additionally, a hardcopy of a notice of cancellation, notice of non-renewal, or notice of termination must be delivered by first-class mail, postage prepaid, to the last known mailing address of a party if the insurer knows that the notice of cancellation, notice of non-renewal, or notice of termination sent by electronic means was not received by the party.

Western Zone

Hawaii

Effective July 1, 2017, SB 953 provides that upon settlement of “a total loss motor vehicle damage liability claim with a third-party claimant, the insurer shall pay the applicable general excise tax and certificate of ownership fee.” The bill further includes a provision that payment is not required if the third-party claimant cannot substantiate the purchase and the payment of the general excise tax and certificate of ownership fee by submitting to the insurer appropriate documentation within 33 days after the receipt of settlement.

Oregon

Bulletin 2017-4, issued June 29, 2017, provides clarification and guidance on “Coverage for Marijuana Items and Activities.” The Division of Financial Regulation’s Bulletin includes the following regarding implementation dates: In order to exclude loss, damage, or liability associated with marijuana items and marijuana activities:

- Policies issued or renewed 90 days after the issuance of this bulletin must contain language in the policy or be accompanied by a notice to the insured explicitly stating the extent to which marijuana items and activities are excluded.
- Policies issued or renewed 12 months after the issuance of this bulletin must contain language in the policy explicitly stating the extent to which marijuana items & activities are excluded.

Texas

Applying only to an insurance policy that is delivered, issued for delivery, or renewed on or after Jan. 1, 2018, SB 417 sets forth new requirements pertaining to notice to policyholders of certain changes to property and casualty insurance policies. Included in these

provisions is a definition of “material change” as being a change to a policy that, with respect to a prior or existing policy: (1) reduces coverage; (2) changes conditions of coverage; or (3) changes the duties of the insured. It further provides that, notwithstanding Section 551.103 of the Texas Insurance Code, a change to a policy provision on renewal is not a nonrenewal or cancellation under this subchapter if the insurer provides the insured with written notice of any material change in each form of the policy offered to the insured on renewal from the form of the policy held immediately before renewal. This notice must: (1) appear in a conspicuous place in the notice of renewal; (2) clearly indicate each material change to the policy being made on renewal; (3) be written in plain language; and (4) be provided to the insured not later than the 30th day before the renewal date. ■

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.

Tribute to Dudley Ewen | By Tanya Sherman and Dennis Shoop

It is with great sorrow that we inform you our dear friend Dudley B. Ewen III has passed away. He led a valiant battle against cancer, but passed in his home surrounded by family on Sunday, August 20, 2017.

Dudley was the Chief Examiner of Market Conduct for the Compliance and Enforcement Unit at the Maryland Insurance Administration, where he worked for 32 years. He was a founding member of the Insurance Regulatory Examiners Society (IRES), and also served on the Board of Directors. He proudly received the Paul DeAngelo Teaching Award from the IRES Foundation in 2006.

You can’t really mention Market Conduct or Market Regulation without thinking of Dudley. As mentioned above, he was a founding member of IRES, but he was also one of the members on the NAIC committees that helped create the Market Conduct Examination Handbook, now the Market Regulation Handbook.

For many, Dudley was one of the first people they met at NAIC/IRES meetings. He had an infectious smile, an incredibly optimistic outlook and magnetic personality. His comedic timing was always something to watch during meetings as he would often go back to page 1 after hours of discussion. For that, he was also nicknamed “The Anchor.” In keeping with the marine theme, regardless of the time of year or the weather, he was always found to be sporting deck shoes, no socks, ever. He loved the ocean and often referenced his vacation getaway on the Outer Banks as going to his Pink Double Wide.

If you were his friend, you felt like you were one of his best friends. He always took the time to be kind, listen and make a joke to lighten the mood. Dudley, you will be missed, but we will do our best to uphold your legacy, finding humor wherever it may be. He is sitting in heaven awaiting all of us to join him. *Rest in peace our cherished friend.*



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

- Kevin Amaral
- Brett Bache
- JoAnn Baldo
- Renee Benard
- Penny Callihan
- Holly Campbell
- Jennifer Castaldi
- Segun Daramola
- Paul Forese
- Ericka Franzen
- Louis Gabriele Jr
- Colette Hittner
- Nicholas Illuzzi
- Isabelle Keiser
- Robert McCullough
- Sarah Neil
- October Nickel
- David Paolantonio
- Spencer Peacock
- Petr Petrik
- Joseph Rapczak
- Izabel Scovino
- Nancy Shimer
- Sharill Silverio
- Joseph Torti

INDIVIDUAL SUSTAINING MEMBERS

- Laurie Clark
- Stephen Geist
- Heather Gmyrek
- Laurie Lewis

FIRM SUSTAINING MEMBERS

- Michael Kreiter

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[®]

- Emmanuel (Manny) Adonis
- Winston Aikens
- Christopher (Chris) Cagle
- Jenifer Christian
- David Dachs
- D'Anna Feurt
- Joseph Funkhouser
- Ryan Gillespie
- Sheryl Hines
- Landon Hubbard
- David Keleher
- Tim Kelley
- Shannon Lloyd
- Scott Martin
- Desiree Mauller
- Stacie Parker
- Ralph Romano
- Steve Schelin
- David Taylor

CIE[®]

- Jason Nemes
- Bryan Wachter
- Connie Nowland
- Sheri Marston
- Bradley Neff
- Desiree Mauller
- Winston Aikens
- Sarah Bridendall
- Ned Gaines
- Shannon Lloyd
- Justin Durrance
- Ryan Gillespie

CICSR[®]

- Sarah Malloy
- Conna Wiese
- Sarah Bridendall
- John Holley
- Angela Hatchell
- Ned Gaines

MCM[®]

- Kerry Abbott
- Tracey Fuller
- Anita Edington
- Penny Schuster
- Kerri Grannum
- Brian Zioli
- Brett Lininger
- Sarah Flem
- Joseph Block
- Sharon Shipp
- Tia Hammond
- Marcus Rosser
- Denise Banks
- Judah Katz
- Jamaca Mitchell
- Erika Kottenmeier
- Veronica Morales
- Kathy Forno
- Joshua Van Drei
- Katherine Harkins
- Adam Wheeler
- Susan Kalmus
- Carolyn Whitaker

The Regulator[®]

Copyright 2017 Insurance Regulatory Examiners Society. All rights reserved. Contents may not be reproduced without permission. Opinions expressed by authors are their own, and do not necessarily reflect the policies or opinions of IRES.

Content submissions: go-ires.org/news/the-regulator/submit-content

Editorial staff: TheRegulator@go-ires.org

Advertising: TheRegulator@go-ires.org

Business office: go-ires.org/contact-us

Editorial Staff

Stephanie Duchene, Editor

Laura Meath, Layout Editor

IRES Publications and Public Relations Committee

Parker Stevens, CIE, AMCM, Chair

Kallie Somme, MCM, Vice Chair

Members: Lisa Brandt, Stephanie Duchene, Rosemarie Halle,

Jo LeDuc, Michael Morrissey, Stacy Rinehart, Paula Palozzi

Summer 2017 Contributors

Don Koch, CIE, AMCM

Michael Morrissey, CISSP, CISA, AES and AMCM

Kenneth Allen, AIE, California, President

Tom McIntyre, CIE, CICS, AMCM

Pieter Williams, MCM

Kathy Donovan, MCM

Jo LeDuc, CIE, MCM, CPCU, AIRC, AIC, API,

Stephanie Duchene, MCM

IRES Board of Directors

Executive Committee & Officers

Kenneth Allen, AIE, California, President

Martha Long, CIE, MCM, Missouri, President Elect

Tracy Biehn, MCM, North Carolina, Vice President

LeAnn Crow, CICS, AMCM, Kansas, Treasurer

Randy Helder, AIE, NAIC, Secretary

Tom McIntyre, CI, AMCM, CICS, Unaffiliated, Past President

Pieter Williams, MCM, Unaffiliated, Member At-Large

Kallie Somme, MCM, Louisiana, Member At-Large

Lisa Brandt, MCM, AIE, CICS, Wisconsin, Member At-Large

Directors

Maureen Belanger MCM, New Hampshire At-Large Board

Donald Hale, AIE, MCM, Alaska At-Large Board

Cynthia Amann, AMCM, Missouri

Sam Binnun, MCM, Unaffiliated

Holly Blanchard, AIE, MCM, Unaffiliated

Ben Darnell, MCM, Unaffiliated

Uma Dua, MCM, Unaffiliated

Mike Hailer, CIE, AMCM, IRES Foundation

Angela Hatchell, CICS, North Carolina

Mark Hooker, CIE, AMCM, CICS, West Virginia

Jenny Jeffers, Unaffiliated

Jo LeDuc, CIE, MCM, Wisconsin

Jim Mealer, CIE, MCM, Missouri

Mary Nugent, CIE, AMCM, Federal

Doug Ommen, MCM, Iowa

Paula Palozzi, Rhode Island

Mark Plesha, AIE, MCM, Unaffiliated

Lori Ruggiero, CIE, MCM, Unaffiliated

Editor's Corner

By Stephanie Duchene, MCM

We hope you have enjoyed this issue of *The Regulator*[®] and the 2017 IRES CDS in Providence

this month! If you were not able to attend you can feel like you were there with Michael Morrissey's highlights article and pictures courtesy of Don Hale. Congratulations to our four Rookie of the Year Scholarship Winners, Letha Tate, Lori Carlson, Maureen Belanger, Shuqian Guan; the Chartrand Communications Award winner, Pieter Williams; the Al Greer Achievement Award winner, Andrea Baytop; the Schrader-Nelson Publications Award winner, Kathy Donovan; the Thomas L. Reents Memorial Scholarship winner, John Huh; the President's Awards winners Ken Allen and Jim Mealer and the Award of Distinction winner Tom McIntyre. All well deserving honorees!



Stephanie Duchene

In this issue, Don Koch explains a proposal currently before the NAIC Market Conduct Examination Standards (D) Working Group to add a chapter to the NAIC's Market Regulation Handbook which would review the qualification of the management structure of a company and its ability to provide effective compliance on a current and prospective timeframe. Stay tuned for Part 2 which will be featured in our Fall issue. Jo LeDuc provides us with a wonderful look back at the 30 year history of our great IRES organization. Holly Blanchard begins a series featuring IRES' state chairs and this issue we get to know Laura Klanian from Virginia. As always, Kathy Donovan keeps us Zoned In on recent regulatory developments around the country.

As we thank and say good bye to Tom McIntyre who served us so well as President this past year, we also extend a hearty welcome to the new IRES President Ken Allen. 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*[®]! ■

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*[®]. 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.

– Your staff at *The Regulator*[®]