



International Association of Insurance Receivers

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Promoting professionalism and ethics

The end of one year and the beginning of another always provides the opportunity to reflect on past activities and plan for what may be coming. I'll take a moment to provide an IAIR perspective as we bid farewell to 2014 and rush headlong into 2015.

RECAP OF 2014

Educational Programs

IAIR presented a number of educational programs in 2014, including:

- Insolvency Workshop held in Tempe, AZ entitled “Shortening the Receivership Road Trip” that addressed the procedural and legal challenges facing receivers and other insolvency professionals when trying to expedite the closing of receivership estates.
- Technical Development Series V Workshop held in Chicago, IL entitled “The Data Clouds Look Stormy: Information and Data Management in Receiverships” that dealt with all aspects of data management, privacy, and security through the life cycle of a receivership.
- Society of Financial Examiners (SOFE) Presentation – Three IAIR members, Jenny Jeffers, Mark Ossi and Doug Hartz gave a presentation during the Society of Financial Examiners (SOFE) Career Development Seminar in Philadelphia, PA in July. Their presentation addressed how the new risk surveillance cycle fits with resolutions of troubled insurance companies and receiverships.
- Issues Forums – Education Committee Co-Chair Kathleen McCain organized these programs in conjunction with the NAIC meetings held in Orlando, Louisville, and Washington, D.C. Each 3½ hour program featured regulatory, industry and receivership presenters discussing topics that spanned new legislative tools, cooperation between financial regulators, examiners and guaranty funds, reinsurance updates, new liquidation plan concepts being tested, and perspectives of legislators, just to name a few. The Issues Forum in Washington, DC was jointly presented with AIRROC.

Responses to Requests for Comments and Exposure Documents

Various IAIR members and directors participated in preparing written comments, and then verbal follow ups during conference calls, in response to requests from NAIC groups on the following issues:

- New RITF Charge – On June 19, 2014, IAIR submitted a letter in response to the NAIC’s Receivership and Insolvency Task Force’s request for comments regarding its new charge to “evaluate the benefits and costs associated with requiring resolution plans for large insurance groups.” The letter focused on the potential redundancy of this charge, the necessity to target and tailor resolution plans, keeping promises to ensure public

confidence, the need to augment and enhance rather than supplant current existing regulatory mechanisms, and confidentiality.

- New FHLB Section to Receiver's Handbook – On September 8, 2014 and October 27, 2014, IAIR submitted blacklined versions of the draft of the proposed new section to the NAIC's *Receiver's Handbook for Insurance Company Insolvencies* entitled "Receiverships Involving Federal Home Loan Bank Agreements" that had been exposed for comments by the Federal Home Loan Bank Working Group of the RITF. The IAIR group working on the proposed revisions included several members that drafted the initial Receiver's Handbook. Their initial recommended revisions to the exposure draft were quite extensive but consistent with the primary principles of the Receiver's Handbook. The recommended revisions in the second submission were scaled back as an accommodation to the FHLB Working Group and incorporated suggested language from the FHLBanks. The final version of this new section, which has now been adopted, should provide a useful resource for receivers that encounter FHLB agreements in their receivership proceedings.
- IRMA Critical Elements - On September 25, 2014, IAIR submitted a letter in response to the request for comments from the Receivership Model Law Working Group of the RITF regarding the identifying the critical, non-controversial elements of the Insurance Receivership Model Act (IRMA) relevant to the efficient and effective management of multi-state receiverships. While most of the comments from the other interested parties tended to rehash some of the issues still brewing the IRMA developmental debates over a decade ago, IAIR's comments suggested a different approach for evaluating, prioritizing and identifying these elements of IRMA. This was followed up with conference call comments and an offer to facilitate the discussions among the Working Group and the interested parties to develop the list of IRMA elements.

[A New IAIR Professional Designation Program](#)

The ad hoc New Designation Committee conducted an RFP to identify the insurance educational entity that would be used to assist in the development of the curriculum and testing program for a new IAIR professional designation. The University of Connecticut Insurance Law Center was selected and the Committee worked extensively to develop the structure and costs of the new designation program. A description of the program and a request for initial, start-up funding was submitted to the NAIC's Internal Administration (EX1) Committee in October 2014. In addition, this request was shared with a number of insurance trade organizations that provided the Internal Administration (EX1) Committee with letters supporting IAIR's efforts. Also posted on the IAIR website is an article entitled "A Designation Destination" that provides a detailed description of this program and its current developmental status.

[New Directors Elected](#)

During the IAIR Annual Membership Meeting that was held on November 16, 2014, Jenny Jeffers, Jonathan Bing and Wayne Johnson were elected to the IAIR Board of Directors. They will be joining the following existing directors on the IAIR Board: Bart Boles, Alan Gamse, Bruce Gilbert, Donna Wilson, James Kennedy, Frankie Bliss, Michelle Avery, Evan Bennett, Richard Darling, Joe DeVito, Patrick Hughes, Doug Hartz, and Kathleen McCain.

[Again a Bottom Line in the Black](#)

Thanks to the diligent monitoring of expenses by IAIR Treasurer Donna Wilson, the accurate tracking and accounting by Accolade Management, the programs developed by the Education

Committee and the budgetary discipline practiced by the Board of Directors, IAIR again is projected for 2014 to experience another year without a financial loss. The financials are currently being closed so the exact number is not yet known, but the efforts to keep IAIR financially viable should be applauded.

What's Coming Up in 2015?

Educational Programs

- The next Insolvency Workshop will be held February 25-27, 2015 at the Omni La Mansion in San Antonio, TX. Workshop Chair Wayne Johnson has developed a program entitled "The Changing Frontiers of Insurance Regulation". The Workshop will focus on the Affordable Care Act, Own Risk Solvency Assessment, the changing Captive Marketplace, Supervisory Colleges, the revised Insurance Holding Company Act, the Impact of the Digital Age on Ethics and Privilege, and much more. A detailed agenda and registration material can be found on the IAIR website.
- Issues Forums - IAIR will continue to sponsor these 3½ hour programs during each NAIC meeting. The material to be discussed will continue to be current and emerging insurance marketplace and regulatory issues that impact rehabilitations and receiverships.

The New IAIR Professional Designation Program

The ad hoc New Designation Committee will continue to work with the University of Connecticut Insurance Law Center to develop the materials necessary to obtain a recommendation on the need, benefit and financial justification for the program from the NAIC's Financial Condition (E) Committee by working with its Receivership and Insolvency Task Force.

Receivership Model Law Working Group

IAIR will attempt to facilitate a resolution between the various interested parties on the efforts of this group to identify the list of critical elements in the Insurance Receivership Model Act (IRMA) relevant to the efficient and effective management of multi-state receiverships.

Changes to *The Insurance Receiver*

By now it's obvious that the presentation of articles of interest to IAIR's members and its constituents will undergo a change. Rather than producing a hard copy newsletter three times annually, IAIR's publication, *The Insurance Receiver*, will morph into an online version presented through IAIR's website. This will make the preparation of the publication much simpler and cost effective while providing the members a single source for all IAIR information.

As you can see, IAIR was very active during 2014 and continued to serve as a significant resource of historical information and expertise on insurance company rehabilitation, runoff and receivership issues. There is more to be done. Please feel free to contact me via email at bboles@txlifega.org or by phone at (800)982-6362 with any comment, questions or concerns regarding IAIR activities and direction.