

The Insurance Receiver

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International Association of Insurance Receivers*

Promoting Professionalism and Ethics in the Administration of Insurance Receiverships

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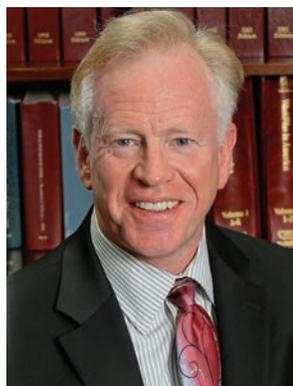
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Message from Bart Boles, President

Momentum. Sometimes called the "Big Mo." It is most often discussed in sporting events, so I'll offer the following as an initial reference for my comments.



The *Oxford Dictionary of Sports Science* defines psychological momentum as "the positive or negative change in the cognition, affect, physiology, and behavior caused by an event or series of events that affects either the perceptions of the competitors or, perhaps, the quality of performance and the outcome of the competition." The advantage created for those currently enjoying its positive favor can be significant, but difficult to sustain. For those on the negative side of momentum, it can be even harder to overcome. This sometimes fleeting psychological and perceptual edge must be carefully managed and regularly exercised for it can be difficult to reacquire once

it has been lost. I contend that it's not just applicable in sporting events but has a role in every aspect of life, including IAIR's activities and events. I can't help but feel that the favorable side of momentum has been obtained by IAIR.

But does IAIR really have positive momentum or is this just lip service? Whether positive momentum is occurring is, of course, an individual's subjective perception. However, this viewpoint can be supported with objective measures. Over the last several years, IAIR has taken numerous steps to foster significant momentum by continuing to place IAIR in the role as the premier resource for receivership knowledge and expertise. These steps were taken by leveraging the talents, skills and experience of IAIR's members through a number of activities. I'll summarize a few activities that demonstrate how IAIR is basking in momentum's limelight. Most of these have been the subject of detailed articles in prior issues of *The Insurance Receiver* that can be found under the Publications section under the Resources tab on the IAIR website.

- **Educational Workshops and Programs** – Chris Maisel and Dennis LaGory co-chaired the 2013 Insolvency Workshop held in January 2013 in Savannah,

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President's Message (continued)

GA that included a challenging participatory exercise for attendees. IAIR used its members' unique experiences to develop and present two separate professional development programs for financial regulators focusing on early warning signs and red flags identified within troubled insurance companies. In June, Michelle Avery and Phil Curley co-chaired the fourth Technical Development Series that focused on all aspects of receivership litigation. Finally, the 2014 Insolvency Workshop co-chaired by Doug Hartz and Bruce Gilbert was just held in Tempe, AZ to discuss and review the various administrative, claims and legal elements of receiverships that can cause the proceedings to extend for many years.

- **Memoranda of Understanding** – Thanks to the considerable efforts of Mary Veed and Doug Hertlein, memoranda of understanding were executed between IAIR and the Tort and Insurance Practice Section (“TIPS”) of the American Bar Association and the Association of Insurance and Reinsurance Run-Off Companies (“AIRROC”). These affiliations provide the primary benefit of cross-sponsorship and registration discounts for educational programs between IAIR and the two entities. Both of these relationships have already borne fruit with two jointly sponsored programs during the December NAIC meeting in Washington D.C.: a CLE program with FORC and an Issues Forum with AIRROC. Additional events of mutual sharing of information beneficial to all entities' members can be anticipated.
- **Responses to Requests for Comments** – During 2013, IAIR provided responses to two requests for comments from the NAIC. The first provided IAIR's perspective on the Federal Home Loan Bank proposed legislation to provide exemption to the FHLBanks from the stay and voidable preference provisions within state insurance receivership proceedings. The second involved specific comments regarding the Financial Stability Board's proposed Consultative Document on the *Application of the Key Attributes of Effective Resolution Regimes for Financial Institutions* to non-bank financial institutions. Both of these responses were published by IAIR in *The Insurance Receiver*.
- **Website Redesign** – Throughout 2013, IAIR's Website Committee, co-chaired by Jennie Jeffers and Dale Stephenson, worked diligently to redesign IAIR's website. This involved the development and distribution of a Request for Proposals,

identification and contracting with the selected firm, MemberClicks, and the discussions of the design details. The new website went live in November and featured a new look plus reliable coordination of membership records, enhancements to the timeliness, accuracy and security of financial transactions, reorganized event calendars, and the ability for greater communications between committees and IAIR members. The population of the website has only just begun. Continue to regularly visit it to see new information on upcoming events and activities.

- **Restructuring and Reformation of Committees/Subcommittees** – In late 2012, the Board of Directors identified a lack of transparency and inadequate communication between IAIR's committees and subcommittees and the IAIR membership. Throughout 2013, several versions of possible restructurings were shared with the membership for comment, including a Town Hall meeting for the open discussion and deliberation of the restructuring. The final result approved by the Board of Directors was presented to the membership through amendments to the Bylaws at the 2013 December Annual Membership meeting. The ten standing committee structure was approved and is up and running. A list of the committees and the chairs/co-chairs can be found on the IAIR website.
- **Reformation of Membership Fees** – In response to concerns expressed by a number of members, Pat Hughes, Dick Darling, Donna Wilson and I were appointed as an ad hoc committee to explore the IAIR two-tier annual membership fee structure (profit and not-for-profit) with the intent of making it more reflective of the composition of the members while not significantly impairing IAIR's vital revenue. The committee's proposal of a three-category dues structure, comprised of (1) regulatory members, (2) small firm members/non-profit members and (3) corporate/large firm members, was reviewed and adopted by the Board of Directors. It was implemented for the 2014 dues. The categories will also be used when establishing member registration fees for IAIR educational events.
- **A Bottom Line in the Black** – With some aggressive monitoring by Treasurer Donna Wilson, considerable, proactive belt-tightening and intense promotion of events, IAIR finished 2013 with a bottom line that was not only in the black, but it had grown. This fiscal management must continue in order to bring increased

The Perfect Receiver - No. 11: Welcome To The Bazaar

By Patrick Cantilo, CIR-ML



For every meaningful negotiation you will undertake, you can easily find two or more “authoritative” articles or books on the art of negotiating. Why then am I wasting your time taking up the subject yet again?

My ambitious goal here is to provide you helpful guidance in a few paragraphs and in readily digestible form. I address not so much the art of negotiating, but basic principles that will help avoid major mistakes and may well lead to better results. Presumptuously, I will articulate them as simple rules, in no particular order.

1. **BE PREPARED.** Establish your goals and formulate a plan for achieving them before you ever reach the table. If you are in a team of more than one, respective roles should be well understood among you so that you do not undermine each other.
2. **BE INFORMED.** Unless you are extraordinarily lucky (in which case I need your lottery numbers), it will be exceedingly difficult for you to negotiate a good outcome unless you know all you need to know about your position and that of your counter-party. Know the strengths of your position well but its weaknesses even better, so you can feint attacks focused on them and mirror that for the positions of the other party.
3. **BE ASTUTE.** Very frequently, negotiators disregard possible win-win opportunities because they did not take the time to look for them and spot them. Understand your counter-party's goals. I illustrate: mom settled a bitter fight between two brothers over an apple by giving each half. The first promptly peeled his, discarded the peel, and ate his half while the second also peeled his but used the peel in an experiment and discarded the apple.
4. **BE CREDIBLE.** Refrain from adopting extreme or unreasonable positions because



they will only cost you credibility and encourage the other party to strive for unfair advantage or abandon the process altogether.

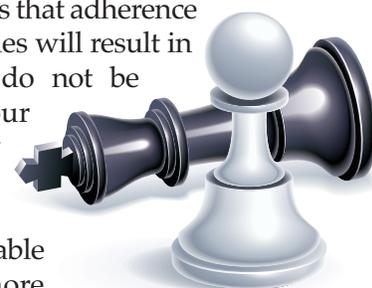
5. **BE REASONABLE.** Set realistic goals. If you are negotiating from a patently inferior position, bluster is unlikely to convince the other party of the contrary. No one likes to “leave money on the table” and everyone strives for a reasonable deal.
6. **BE PATIENT.** The negotiating process is partly one of education. You must systematically inform the other party of those of your strengths and weaknesses that you are prepared to disclose and of the range of your expectations. This educating process has to be organized and structured astutely, and must involve a candid exchange of views. Do not pretend not to have weaknesses because that will cost you credibility.
7. **BE PREPARED TO TRY THE CASE.** In matters of litigation, never prepare the case with a successful negotiation as the ultimate goal. That will produce inferior results. Be manifestly prepared to go to trial. This will enable you to be more confident and flexible in negotiations and may lead the other party to conclude that it must work harder and concede more to get a deal.
8. **BE PREPARED TO STOP.** Nothing is more encouraging to the other party than visible desperation on your part. If the negotiation is obviously not going in an acceptable way, be prepared to discontinue it and be circumspect about your willingness to resume it in the absence of necessary changes.
9. **CHECK YOUR EGO.** With rare exception, you are likely to be negotiating on someone else's behalf. Do not let perceived slights or insults deter you from your goal. Frequently they are a negotiating ploy. Remain professional and dispassionate throughout the entire process.



The Perfect Receiver – Part 11 (continued)

10. **DOUBLE CHECK YOUR EGO.** Never assume that you are smarter or better prepared than your counter-party. Assume precisely the opposite and you will avoid costly surprises and achieve better results.
11. **BE COURTEOUS.** At your age, I shouldn't have to tell you this but the overwhelming majority of the population is much more likely to willingly make concessions to someone they like and respect and, conversely, is much more likely to dig in rather than help a jerk.
12. **TAKE TIME TO REVIEW.** Take breaks and reflect on what the other side has communicated and how they have responded to your positions. Those reflections may reveal important opportunities.
13. **DON'T PICK UNNECESSARY FIGHTS.** You can't win every issue. Prioritize your goals and save your ammo for those that are really important.
14. **SHUT UP AND LISTEN.** Allow the other side to say as much as it is willing and you'll be surprised about how much it will reveal. Humans detest silence in a conversation and will hasten to fill the gap. Make that your tool.
15. **PLAN.** Conversely, plan what you'll say and say only what you planned. Don't let the tool be used against you.
16. **BE GENEROUS BUT NOT SILLY.** If you know you'll have to make concessions, for the most part offer them at strategic points and don't let them be forced out of you. But that is not to say that you should make all your concessions up-front without extracting some value.
17. **INK THE DEAL.** Once an agreement is reached, promptly reduce its essential terms to a signed writing. This will avoid ambiguity and the need for re-negotiation. The passage of any time will lead to memory lapses about concessions that were made.

My suggestions are neither secret nor magical. But experience teaches that adherence to these basic principles will result in a better deal. And do not be worried that your opponent may know them as well. If both parties negotiate in this manner, a reasonable deal is much more probable. Unreasonable deals are almost always unattainable goals.



President's Message (continued from page 2)

membership dues value to IAIR's members in the form of additional resources, more networking opportunities, and meaningful, yet possibly cheaper, continuing education programs.

- **Transition of Management** – The day-to-day management of IAIR was successfully transitioned to Accolade Management. The activities and accomplishments in these remarks could not have been achieved without the considerable support and efforts of Bernie Heinz, Nance Margolis and Chelsea Lenhart.

That's quite a list. I fully understand that I'm repeating the obvious as most of you have read about all of these activities in prior editions, but the information bears repeating through this single-source summary. Keeping the momentum requires a team effort and that is even more pronounced when the team is comprised of volunteers with real day-jobs. What can you, as an IAIR member, do? Call or email me, any of the Board of Directors, a Chair or Co-Chair of a committee with an issue for discussion, a topic for an educational event, or an intriguing article for *The Insurance Receiver*. Not your cup of tea? Then

how about attending a committee meeting or educational event and posing a thought provoking question? If you're not an IAIR member, then you should join immediately and begin experiencing the benefits. In essence, just get involved.

I have been asked to serve in a precarious role. Not only must I follow in the footsteps of Frankie Bliss, whose phenomenal work ethic and commitment is unparalleled, but I must keep this ball rolling. Hopefully things will continue to progress by providing channels for open communications, ensuring willingness to participate is welcomed and utilized, and promoting IAIR's mission at every turn. I commit to expending any energy and effort required to assist in the further development and recognition of IAIR as the receivership community's networking and informational resource. If I don't, I know I'll have to answer to Frankie. So I encourage all IAIR members to help in this effort to face the challenge of "Maintaining the Mo." I look forward to seeing and speaking with each of you at one of the 2014 IAIR events.

View from Washington

By James Tsai



Congress After the Fall Shutdown Crisis

After the government shutdown crisis in September of last year, Republicans seemed to have little appetite for repeating the shutdown or having another faceoff with the debt ceiling being breached. On January

16, 2014, an omnibus spending bill was passed ensuring that the government would be funded through the end of September 2014. The bill rolled back many of the sequester cuts but left some in place, most politically noticeable, the supplemental nutrition funds - more commonly known as food stamps.

Some may have thought that this is the beginning of a new era of partnership and that the logjam on legislative action has broken, but that remains to be seen. Washington politicians and watchers are ramping up for midterm elections where all House seats and a third of the Senate are up for election.

Democrats are resigned to the unlikelihood of retaking the House, where they need to pick up 17 or so seats. In the Senate, many vulnerable Democrats are up for reelection and Republicans are focusing on retaking that chamber where 36 seats are up, though Democrats need to keep only 16 of those 36 to maintain control.

At the time of this writing, major priorities for lawmakers are focused on the repeal and replacement of the physicians' payment formula for Medicare costs, the so-called Sustainable Growth Rate ("SGR"). The \$120-160 billion legislation that finally coalesced into an agreed bill in both chambers in February still needs ways to have it paid; legislators are looking at programs to cut or save on beyond health care in order to balance the fiscal aspect of the bill.

The FIO Modernization Report

Report released December 12, 2013

The Federal Insurance Office ("FIO") issued its

long-awaited Modernization report on December 12, 2014. Directed by Dodd-Frank, FIO was asked to examine what measures FIO should take to study the existing United States insurance industry and to make suggestions on improving and modernizing it.

The report ultimately makes a recommendation of a hybrid approach to regulation. State regulation is highly respected and left alone, but in certain areas, the report indicates that either federal standards be implemented by the states or direct federal involvement is appropriate. The National Association of Registered Agents and Brokers Reform Act of 2013 ("NARAB II") was specifically identified as a recommended legislation for Congress to pass and for state regulators to then implement.

The report discusses the resolution of insolvent insurers. It recognizes that though the resolution of insurance entities occurs largely under state law, large and complex global insurance entities may fall outside of states' resolution schemes. Consequently, the report acknowledges the role of the Financial Stability Board ("FSB") and the International Association of Insurance Supervisors ("IAIS") in developing international schemes for resolving international insurance entities. Recommendations were made to states to adopt a uniform approach to address the closing out and netting of qualified contracts with counterparties and develop requirements for transparent financial reporting regarding the administration of a receivership estate. Additionally, uniform policyholder recovery rules were recommended so that policyholders receive the same maximum benefits from guaranty funds.

House hearing February 4, 2014

The House Financial Services Committee's Housing and Insurance Subcommittee held a hearing on the Modernization Report on February 4, 2014. Two panels of witnesses were convened with FIO Director, Michael McRaith, and Connecticut Insurance Commissioner, Tom Leonardi, on the first panel. Eight industry witnesses, including representatives from trade associations that ranged over all insurance lines plus brokers and agents, testified on the second panel.



View from Washington (continued)

McRaith said that the regulatory question of state versus federal was an outdated one and that instead the insurance industry is much more complex and involves an international component that requires consideration. He emphasized that state regulation was very good and that as the former insurance commissioner for Illinois, he recognized and valued that system.

Chairman Randy Neugebauer (R-TX) asked McRaith about the Prudential SIFI designation by the Financial Stability Oversight Council ("FSOC"). Neugebauer pointed out that the FSOC members with insurance expertise all had strong dissents. Was it troubling that FSOC was making decisions based on a majority vote by those not experts on insurance, he queried? McRaith carefully responded that the FSOC designation process is a lengthy and technical process that takes into account many data points in arriving at its final decision. He further indicated that while the dissents were of interest to the FSOC as a whole, the council, through its statutory deliberative process, did not find the arguments "persuasive."

Meanwhile, Ranking Member Capuano (D-MA) commented that FIO and the report were really all part of the first step towards more federal involvement in insurance, an eventuality. He polled the industry panel as to what would they do if given the choice to repeal or support the FIO. All industry panelists supported keeping FIO.

FSOC, FDIC Actions on Resolution

Both the FSOC and FDIC took steps in the regulatory authority surrounding their resolution authority of large systemic insurance companies.

On January 9, 2014, the FSOC met in a closed meeting and received a presentation from Federal Reserve staff members on enhanced prudential standards for all systemically important financial institutions ("SIFIs"). The high-level released minutes of the meeting indicate that questions after the presentation included queries about the applicability of Dodd-Frank sections 165 and 166, the enhanced prudential supervision to non-bank SIFIs - especially with regard to section 171 leverage, and risk-based capital requirements.

The trade press noted that it was significant that MetLife's designation as a SIFI was not discussed at this meeting, which many anticipate will be designated as such, as it proceeds through the review and designation process by FSOC.

Meanwhile, the FDIC released the public portions of the submitted resolution plans, as required under title I of Dodd-Frank, on January 10, 2014. (See <http://fdic.gov/regulations/reform/resplans/>). The 186 plans that are available on the website detail the process for a hypothetical orderly wind-down in the case of insolvency under the United States Bankruptcy Code or other applicable windup regime. Insurance companies are ineligible generally to be a debtor under the Bankruptcy Code, though their holding companies are eligible.

TRIA and Flood Insurance

In the last issue of this column, we had just left the House Financial Services Housing and Insurance Subcommittee, which held a TRIA reauthorization hearing on November 13, 2013. The program is set to expire at the end of 2014 unless Congress acts. All witnesses at the hearing, which included academics and industry members such as Sean McGovern of Lloyds of London, agreed that the program should be extended though there was some debate over the length of time for renewal, the funding mechanisms and the triggering level for losses from a certified act of terrorism that would allow coverage (currently \$100 million).

If the program is not renewed, an area of concern for many insurers and stakeholders is the effect on workers' compensation coverage. Because workers' compensation is mandatory in all states and may not exclude acts of terrorism, many insurers are scrambling to understand the effect of the loss of TRIA as a backstop. Complicating the situation is the practice of many insurers that write multi-year policies that may start in 2014 and extend beyond the program's expiration into 2015.

At the end of the hearing, Subcommittee Chair Randy Neugebauer (R-TX) indicated swift action to consider the renewal of the matter. With the exception of a few Members during the hearing, everyone seemed to be in agreement for the renewal of the program. The



View from Washington (continued)

Senate held a hearing in September and then a second one on February 25, examining the reauthorization of TRIA.

Meanwhile, federal flood insurance has continued to be a concern. The 2012 Biggert-Waters Act mandated rate hikes on policies for all policyholders (including homeowners/ business properties) with phased-in rate increases that began earlier this year. Senator Robert Menendez (D-NJ) introduced S. 1610 on October 29, 2013, which would seek to delay the implementation of this timeline by a few years. On the same day, Rep. Michael Grimm (R-NY) introduced the House's version of the bill, H.R. 3370, with Maxine Waters (D-CA), the original namesake sponsor of the Biggert-Waters Act.

The Senate passed S. 1926, which delayed implementation of the rate hikes for four years

on January 30, 2014. The Senate bill wraps the NARAB II legislation together, while the House legislation keeps the two separate. The House had already passed NARAB legislation last fall, but passed H.R. 3370, Representatives Grimm and Waters' legislation, on March 4, 2014. Notably, House Financial Services Chair Jeb Hensarling (R-TX) and Subcommittee Chair Neugebauer did not vote for the reform, preferring alternative legislation to deal with the rate hikes.

James Tsai is a public policy specialist in FaegreBD Consulting's insurance and financial services practice group where he assists insurance and other financial services entities with federal legislative, regulatory, public policy, corporate, insolvency and compliance matters. James works on Capitol Hill and federal agency strategy and helps associations, companies and individuals navigate the post Dodd-Frank Act environment.

Mark Your Calendar! – Don't miss it! The next IAIR Technical Development Series Program - "Seeking Equilibrium in the New Generation: How to Handle Reporting, Sharing and Safeguarding Information" - will be held in CHICAGO at the Doubletree. Save the date for June 5-6, 2014. Many more details to come soon.



In Memorium: Wanda LaPrath

It is with great sadness that IAIR reports the passing of Wanda LaPrath, CFE, friend and long-time IAIR member.

Wanda was involved with the insurance industry for over 30 years. After approximately twenty years in the private sector, where she held positions with two large life insurers and was directly responsible for statutory and GAAP reporting, Wanda transitioned to the receivership arena. Since 1998, Wanda participated in and supervised examinations, both market conduct and financial, for various states as a contract

examiner. She also worked on life and annuity companies, facilitating assumption transactions and interfacing with various guaranty associations. Wanda held the CIE, MCM, CFE, FLMI, and ARC designations and earned an MBA. An active member of IAIR, she was also a member of the IRES Board of Directors for four years, served on the SOFE Board of Governors and was Vice President of Education on the SOFE Executive Committee since 2011.

IAIR extends deepest condolences to Wanda's family. She will be sorely missed by her many friends at IAIR.

Welcome IAIR's Newest Members!

Jeff Cohen

Mr. Cohen is a Managing Director at Southpaw Asset Management LP, a distressed credit opportunity manager based in Greenwich, Connecticut. Jeff is responsible for sourcing, evaluating and purchasing a range of illiquid financial assets, including insolvent insurance claims, run-off portfolios, litigation judgments, bankruptcy claims, private notes and other hard to value assets. Prior to Southpaw, Jeff worked as a VP and Analyst for Ramius Capital, LLC and Stockback, LLC.

Jeff began his professional career as a bankruptcy attorney in private practice after serving as a law clerk for the Honorable Bruce Fox of the United States Bankruptcy Court for the Eastern District of Pennsylvania. Jeff received his B.A. in Political Science from Columbia University, and his J.D. from Temple University School of Law.



Kirk Hartley

Since becoming a lawyer in 1983, Mr. Hartley's 30 years of practice have focused on advising a wide range of corporations, associations and individuals on tort and commercial law issues centered around mass torts. His career includes handling asbestos and other product liability claims for defendants, representing policyholders in insurance coverage litigation and representing creditors in mass tort Chapter 11 cases. At Childress Duffy, Kirk represented policyholders against insurers. Kirk was also a partner at Katten Muchin Rosenman and Butler Ruben Saltarelli & Boyd LLP.

Kirk created LSP Group LLC in 2011 to continue his focus on mass tort and related issues involving law, science and policy. Kirk received his B.S. in Business from the University of Illinois at Champaign-Urbana and his J.D. from John Marshall Law School in Chicago, Illinois.



Marvin Kelly

Mr. Kelly is the Executive Director of the Texas Property & Casualty Insurance Guaranty Association ("TPCIGA") in Austin, Texas and has 32 years of experience in insurance insolvency, risk management and underwriting. Prior to becoming Executive Director of TPCIGA, Marvin was a Board Member of the National



Conference of Insurance Guaranty Funds, former President/ Chairman of the Chartered Property Casualty Underwriting Society and a Major in the U.S. Army Reserve for over 16 years.

Marvin graduated from the University of Hartford/Walden University with a B.S. and M.B.A. in Insurance & Risk Management.



Kathy Milford

Ms. Milford is President of Milford Consulting, LLC in Austin, Texas, where she provides Special Deputy Receiver consulting services including receivership administration, claim management, litigation management, asset recovery, financial analysis, reporting and forensic investigation. Kathy has worked in the receivership industry for over 20 years and has participated in the administration of eight life and health and 17 property and casualty receiverships, two of which were in rehabilitation. Prior to opening her own firm, Kathy also worked for Prime Tempus Inc. as a Receivership Administration Manager and Lead Rehabilitation Specialist.

Kathy received her B.A.A.S. with a concentration in Management and Finance, from Texas State University-San Marcos and has a Market Conduct Management designation as well.



James Mills

Mr. Mills currently serves as Assistant General Counsel, Director of Workers' Comp and Captive Insurance at the Oklahoma Insurance Department. Prior to that, James served as the Assistant General Counsel to the Oklahoma Insurance Department, and as Assistant to the Commissioner.

James received his B.B.A. in Finance from the University of Oklahoma, his J.D. from the University of Oklahoma College of Law and his M.B.A. in Corporate Finance, Investment

Welcome IAIR's Newest Members! (continued)

Management and Risk Management from the University of Oklahoma-Price College of Business.



Jan Moenck

Ms. Moenck is a partner at Risk & Regulatory Consulting, in Minneapolis, Minnesota. Jan has over 25 years of experience providing internal audit and examination services to clients focusing primarily in the financial services industry. For over 15 years, Jan has served as the Lead Engagement Manager working with the Minnesota Department of Commerce, Insurance Division, by providing co-sourced financial examination services. Jan assisted Minnesota in the development and deployment of its risk-focused examination process and has served as the Examiner in Charge on risk-focused financial examinations for over twelve years. She has also provided hands-on and classroom training on risk-based examination techniques to several states, the Society of Financial Examiners and RSM McGladrey employees. Prior to joining RSM McGladrey, Jan worked in "Big 6" internal audit and regulatory consulting practices and in the Internal Audit Departments of three Fortune 500 banking and insurance companies.

Jan graduated magna cum laude with Bachelor of Arts degrees in Accounting and Computer Science from Concordia College, Moorhead Minnesota

and holds an M.B.A. with concentration in Finance from the University of Minnesota, Carlson School of Business. She is a Certified Financial Examiner, a Certified Risk Professional, a Certified Internal Auditor and a Certified Bank Auditor.



Don Roof

As a Director at Examination Resources, LLC in Atlanta, GA, Mr. Roof has over 24 years experience in the field of insurance regulation.

As Director of Georgia's Insurance & Financial Oversight Division and Deputy Receiver, he was responsible for financial and market examinations, financial and market analysis, troubled company administration, receivership administration, mergers & acquisitions, holding company transactions and company licensing. Prior to assuming his position as Division Director, he served as Georgia's Chief Financial and Market Conduct Examiner. His experience also includes drafting insurance legislation and providing testimony in legislative, administrative and court proceedings.

As a Certified Financial Examiner, Don is a member of the Society of Financial Examiners. Don received his B.B.A. in Risk Management & Insurance from the University of Georgia.



IAIR Bulletin Board

Steve Davis Chairs the Saint Joseph's University's Awards Dinner



Pictured from left: Joseph A. Diangelo, Dean of the Erivan K. Haub School of Business at Saint Joseph's University; Pennsylvania Deputy Insurance Commissioner and "Insurance Executive of the Year" honoree Stephen J. Johnson; Michael E. Angelina, Executive Director of the Academy of Risk Management & Insurance; and Steven B. Davis, Insurance Chair of Stradley Ronon

Stradley Ronon Insurance Practice Chair Steven B. Davis chaired the inaugural Saint Joseph's University Academy of Risk Management & Insurance Executive of the Year Award Dinner honoring Pennsylvania Deputy Insurance Commissioner Stephen J. Johnson on Sept. 26 at the Union League in Philadelphia. Evan Greenberg, Chairman and CEO of ACE Limited, served as the keynote speaker of the sold-out event, which attracted more than 500 insurance executives, regulators and their counsel.

Steve spoke at the 26th Annual Association of Insurance Compliance Professionals Conference in Toronto. He presented "Navigating Your Journey Through Market Conduct Exams" alongside Pennsylvania Deputy Insurance Commissioner Ron Gallagher and Elizabeth Magnus of The Travelers Companies. Their session focused on techniques and tools to lead companies through market-conduct exams – from formal requests to the final report.

Board Talk: Evan Bennett

By Michelle Avery

It is hard to believe that I have been doing these interviews for almost seven years and despite that still have new board members to interview and introduce through the Board Talk column. My work



Evan Bennett

is never done. It certainly speaks to the depth of talent and number of volunteers committed to the organization. Each of the interviewees has brought a great depth of experience to the Board table and is always graciously willing to share their time with me to sit down and discuss their

career path, convictions about IAIR and other interesting personal details. This newsletter's subject was no different.

Evan Bennett joined IAIR about seven years ago and attended his first meeting in Tucson, Arizona. At the time, he was working in the insurance and reinsurance area and had become very interested in receivership work. Since that time, Evan has become invested in the mission of IAIR by serving on several committees, including Membership, Education and Governance, as well as chairing the Audit Committee. Evan is in the last year of his first three year term as an IAIR board member who will be up for re-election at the end of the year.

Not unlike several other board members I have interviewed in the past, Evan's educational background was a surprise to me. Having grown up in Chicago from birth to the age of 15, it came as quite a shock to Evan when his parents abruptly announced they would be moving to Danville, a small town in Central Illinois. Despite the cultural shift, Evan speaks fondly of his high school years in Danville, recounting the great friendships he developed, the personal growth he experienced and the healthy appreciation and longing for all that

Chicago's environment had to offer. Upon graduation, Evan went to Northern Illinois University for two years and then transferred to the University of Illinois for a liberal arts education in which he focused on psychology, obtaining both an undergraduate degree and later a graduate degree in Educational Psychology. Who knew?

After graduation, with an interest in counseling, Evan utilized his education and entrepreneurial spirit to work with a group of others, through the use of private funding, to form Parental Stress Services, a community outreach organization, for parents that dealt with child abuse prevention. It was through this endeavor that Evan became interested in accounting because of a role he was filling within the organization. He went back to school and received a graduate degree in business, specifically accounting, from Roosevelt University. It wasn't long before he found his way to insurance – working at Combined Insurance Company, now known as AON. It was there that a mentor introduced him to the world of reinsurance. From there, the rest is history.

Evan's interest grew and from there decided he wanted to move into the auditing arena, taking an internal audit manager position at Borg Warner Insurance, also in Chicago. It wasn't long after that fate had a hand in changing Evan's path. It was during a conference in New York at which Evan was speaking that Jim Hall, a former IAIR member, encouraged Evan to leave the Windy City and come to New York to work in Coopers & Lybrand's consulting practice. Evan spent two years living in Hackensack, New Jersey, working for Coopers on arbitrations and litigations, within the insurance/reinsurance industry specifically. Despite a lot of travel, and being away from his

Board Talk: Evan Bennett (continued)

true home, Evan looks back on his time in the Big Apple with fondness for all the wonderful people he met and the great network of professionals he established.

From there, Evan returned to Chicago and continued to pursue a career dominated by reinsurance expertise. Initially upon his return, Evan formed his own consulting practice, then spent time at two different points, totaling ten years, with Blackman Kallick and its predecessor firm, a lot of which was spent doing insurance and reinsurance auditing. For the last year, Evan has been back on his own and is focused on accounting and transactional expert work in the context of reinsurance. The work includes analyzing and evaluating reinsurance programs through the interpretation of contract terms, the manner in which contracts were accounted for, evaluations of risk transfer, pricing, adequacy studies and ground up loss studies.

It was apparent to me that Evan really loves what he does – he has an intellectual curiosity that likely serves him very well. Despite his passion for reinsurance, he spoke most proudly of the work he does providing reinsurance training – whether with the University of Wisconsin, which he has been doing for almost 30 years, through in-house programs for insurance companies or for the state Departments of Insurance when needed. Evan talks enthusiastically about the positive influence that mentors and educators in the insurance industry have had on him over the course of his 32 year career and he is mindful of his role to allow that cycle to continue by bringing the academic arena to the business arena, thereby allowing professionals to continue to grow.

Q: What is your proudest professional accomplishment?

Evan stated that he is very content with where he is in his career and believes that all things have contributed and led to where he is today. He loves helping people and clients and it is in this role as a consultant and through training that he is able to do just that – be part of a solution and help. He doesn't cite one thing as his proudest moment but rather is pleased to have it all come to fruition. "Everyone wants to do what they love, and I get to do that every day."



Q: What is the last book you've read that you would recommend to others?

Certainly not hot off the presses, but highly regarded without a doubt, Evan is currently reading Harper Lee's Pulitzer Prize winning *To Kill a Mockingbird*. Not only does Evan love reading this classic, he thoroughly enjoyed the movie adaptation with Gregory Peck.

Q: If you could have dinner with any three other people in the world, dead or alive, fictional or non-fictional, who would you choose? Why?

Evan cheated a little bit on this question by failing to narrow his guests down to just three, but I'll give him some leeway because of the interesting pairings he's come up with.

As his first selection and without any hesitation, Evan stated, "My parents. They are great people and I respect them a lot."

Second, Evan chose the pair of Woody Allen and Mel Brooks and added "maybe Mel could be the waiter." That would be an entertaining dinner – a match-up of amazing filmmaking and comedic talent.

For his last pairing, Evan selected John Lennon and Muddy Waters, a musical duo, to dine together. I didn't know much about Muddy Waters, other than his considerable influence over blues in Chicago during the 50s and 60s. I was surprised to learn that the Beatles song "Come Together" written by Lennon in which he plays rhythm guitar (more on that later) actually references Waters.

Q: What is your favorite sport? Team?

Not surprising, Evan is loyal to the hometown. A big fan of all Chicago teams, he currently ranks the 'Hawks number one. He openly admits his passion used to be the Cubs but has "given up a bit" on the team, although he still loves to catch a game at Wrigley when he can.



Board Talk: Evan Bennett (continued)

Q: What is your favorite leisure activity?

Although he no longer plays as much as he used to, Evan has been an avid tennis player, having started when he was four or five years old. For those that read this column routinely, I think we might have to propose a match-up between Evan and Bruce Gilbert. Tennis anyone?

Q: Where is the last place you vacationed?

The most recent vacation for Evan to New Orleans was nice, but it doesn't beat out his favorite, Disney World. He is very much looking forward to this month's NAIC meeting and will absolutely be spending a day at the park. Keep your eye out for him in line for the Tower of Terror!

Q: What is your favorite NAIC/AICPA conference location?

Not alone in his selection, Evan chooses San Francisco. It really is a favorite of many attendees. Evan loves it for the wonderful climate, the great food, the city's walkability and the endless number of things to do.

Q: Give us one piece of information that most people don't know about you?

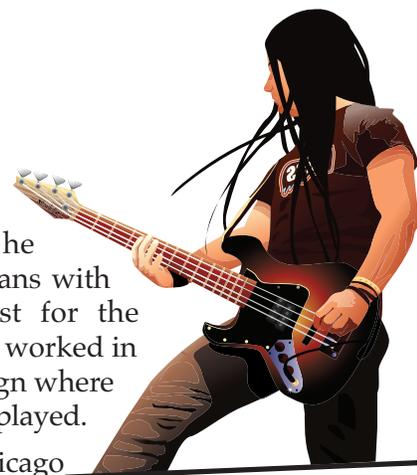
As if the educational psychology wasn't enough of a surprise, I learned that Evan played rhythm guitar in high school as a member of a rock band, The Domineers. Evan chuckled as he thought back about those days, and I pressed on to learn that he not only played but sang occasionally too.

He also has a few interesting ties to the band REO Speedwagon. There was a time while at

the University of Illinois when he worked selling jeans with the bass guitarist for the band and later he worked in a bar in Champaign where they occasionally played.

It must be a Chicago thing. I can remember a shuttle ride home after dinner at an Insolvency Workshop with a group of IAIR colleagues from Chicago in which someone (who may have had an extra glass of wine or two) broke out in to some REO Speedwagon. You sir will remain nameless on these pages, but you know who you are.

Thank you, Evan, for the insight into your career and background. Evan concluded the interview by thanking me and saying, what it really comes down to is "I've lived a good life and love what I do" – a great perspective to have.



Michelle Avery, CPA is an Executive Vice President and Managing Director at Veris Consulting, Inc. within the firm's forensic accounting practice. Michelle has extensive experience assisting clients in causation and damage assessments related to failed property/casualty and life and health insurance companies. Michelle is a Board member of IAIR and a member of the AICPA's NAIC/AICPA Working Group Task Force. Michelle can be reached at mavery@verisconsulting.com.

The Insurance Receiver is intended to provide readers with information on and provide a forum for opinions and discussions of insurance insolvency topics. The views expressed by the authors in the Insurance Receiver are their own and not necessarily those of the IAIR Board, Newsletter Committee or IAIR's Association Manager. No article or other feature should be considered as legal advice.

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IAIR and AIRROC Host Joint Issues Forum at the December NAIC Meeting

By Carolyn Fahey

Last year, IAIR's Board of Directors and the Board of Directors of the Association of Insurance & Reinsurance Run-Off Companies ("AIRROC") approved a Memorandum of Understanding that advances their common goals.



Kathleen McCain, and AIRROC Executive Director, Carolyn Fahey.

Per the MOU, AIRROC and IAIR presented their first co-hosted program the afternoon of December 16, 2013 at NAIC Winter Meeting in Washington, DC. The planning and development was spearheaded by IAIR

Issues Forum chair,

The Ins and Outs of International Collections

International collections was the first topic of discussion for a panel that included Calvin McNulty, CEO of the McNulty-Re Group, Amine Belahbib, Vice President of the McNulty-Re Group (MENA Region) and Mike Walker, a Partner with KPMG UK. They took the audience "around the world" in just an hour with their insights and stories about their work with many cultures around the world.

A key point made by all three panelists is that in-person interaction is crucial! If you aren't able to travel to meet with individual companies, there are several large international conferences that can help accomplish this goal – some examples include the Federation of Afro-Asian Insurers and Reinsurers ("FAIR"), Rendez-Vous de Septembre in Monte-Carlo, the General Arab Insurance Federation ("GAIF"), the Singapore International Reinsurance Conference ("SIRC") and the African Insurance Organization ("AIO") Conferences. Just as with



AIRROC events in the US, attendance is a good way to meet with representatives from multiple companies to further business deals.

In addition to recognizing that there are cultural differences in working with other countries, it is also important to be aware of the changing market values of currencies. Commutations will likely be easier for countries when their currency is strong (unless "locked-in" via original contracts) and this should be closely monitored.

OFAC requirements involving countries/entities/individuals that are sanctioned also need to be continuously reviewed for past and current contract placements. In addition to current OFAC regulations and all other equivalent international governmental requirements, contracts should be drafted to include provisions involving reinsurers/retro coverage whereby those placements are made with entities that may become sanctioned and/or "prohibited to do business with."

Calvin offered some important points to be aware of in dealing with Latin American countries. In general, these countries have a long history of reinsurance placements (many via the UK market) but current and/or future political developments must be closely monitored to determine the optimal time for settlement of paid or commutations. His advice is to make sure that you have the assistance of someone that "knows the ropes" in dealing with a company located in a Latin American country.

Amine provided commentary and history on dealing with companies in Africa and the Middle East. Knowledge of the history of colonization is





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IAIR and AIRROC Host Joint Issues Forum (continued)

key as working in certain countries may be like working within the bureaucracy of the “mother” country. In many of these nations, a king either owns the business interests or the owners have direct connections to the royal family. Make sure you know who you are talking to and keep in mind that these cultures are very easily offended – and don’t easily “forgive and forget” an outsider that has crossed the line. Calvin offered that the same is true in the Far East – they are quite particular about nuances and cultural norms. Knowing the history behind deals is important, and they are knowledgeable about reinsurance and contract terms. In-person time is extremely important in these cultures.

Mike Walker offered his perspective on commutation activity in the UK, which has reduced significantly in recent years. This is largely because the key contributing factors—Equitas and the insolvencies that occurred in the 1990s – are no longer driving that activity and have not been replaced by other drivers. There have been no new insolvencies since 2001, for example, and the wave that occurred in the 1990s are winding down and paying out their assets. He also suggested that consolidation in the industry, where about 80% of the technical reserves that are in runoff are now concentrated within only eight entities, has contributed to the reduction in commutation activity.

He also made reference to the increasing focus on run-off by regulators with two new reports having been released by the Prudential Regulation Authority (“PRA”) – one on capital standards and the other on schemes of arrangement. Both are presently in the comment period so it is too early to tell the effect they will have on the industry, but he did opine that the effect on runoff is likely to be substantial, particularly due to the requirement that the PRA approve certain types of transactions. Mike also confirmed that it has now been agreed that the effective date for Solvency II is January 1, 2016, and this is likely to have an impact on commutation and transaction activity in the near future.

The View from Washington

Charlie Richardson, a partner at Faegre Baker

Daniels, followed the international panel with a lively and entertaining view of the current issues and goings on in Washington, D.C. He touched on many topics during his presentation, including the Federal Stability Oversight Council’s designation of AIG and Prudential as non-bank systemically important financial institutions. He spoke of the continuing debate related to the designations and the involvement of the Federal Reserve as the regulator of SIFIs.

Charlie then turned to the happenings at the Federal Insurance Office (“FIO”). The FIO is involved in international issues and Charlie pointed out that what happens abroad can wash back on U.S. regulators and their best practices. The FIO Advisory Committee on Insurance is turning its attention to captives, Hurricane Sandy and other hot topics. Charlie then provided his views on the long awaited report on insurance modernization from the FIO that was issued just days before the program. He touched on several of the points in the report, including suggestions for receiverships and the guaranty systems. He noted that the FIO report was generally supported, and he outlined how the report is likely to generate discussion both on and off Capitol Hill, this year and beyond.

Recent Legal Developments

Following Charlie’s commentary on the regulatory environment, two partners from Butler Ruben in Chicago took the stage. Catherine Isely and Jim Morsch provided an update on the latest court activity of impact to AIRROC and IAIR members. Catherine touched first on a shift in the way that late notice defenses to reinsurance claims are being viewed by reinsurers following recent court decisions. Historically, a late notice defense was raised by reinsurers in claim negotiations where the facts warranted it, but was rarely pursued as a sole defense to coverage in arbitration or litigation because the defense was unlikely to gain traction in those forums. That landscape may change in 2014 as recent federal and state court decisions provide reinsurers with additional ammunition to argue late notice defenses and assert related bad faith claims.



IAIR and AIRROC Host Joint Issues Forum (continued)

Cedents should expect increased scrutiny by reinsurers concerning any lag between the time the cedent learned of its claim and the time the cedent reported that claim to the reinsurer. Cedents may also need to consider these developments in the case law when valuing late-noticed claims in any negotiation.

Catherine then turned to developments in allocation law. She discussed decisions applying differing standards of "reasonableness" to the "follow-the-allocation" doctrine, and addressed the objective standard of "reasonableness" applied by one court versus the focus on a company's motivation in reaching a settlement applied in other decisions. Jim also alerted the audience to recent occurrence-related decisions in the mold and construction defect contexts, as well as recent junk fax class action litigation and related coverage issues.

NAIC News and Updates

Jim Mumford, First Deputy Commissioner with the Iowa Division and Chair of the NAIC Receivership and Insolvency Task Force, provided updates and highlights of NAIC committee meetings. He started by commenting on the FIO report, stressing that it encourages uniformity in reporting by state regulators and insurance guaranty funds. Jim then turned to the goings on with the International Association of Insurance

Supervisors ("IAIS") and the Financial Stability Board ("FSB"), and Dan Daveline, Assistant Director-Financial Analysis at the NAIC joined him on the stage. Jim and Dave talked about the FSB's Key Attributes of Effective Resolution Regimes for Financial Institutions, the IAIS Insurance Core Principles and their view of potential concerns to US insurers in the application of the international standards. They also addressed recent guidance from the FDIC on resolution plans for globally systemically important financial companies or companies that are "too big to fail." Jim ended the presentation with highlights of issues before the Receivership and Insolvency Task Force.

Thanks to all the participants who agreed to speak at the Issues Forum and share their knowledge and expertise with the organization. Thank you also to those who helped organize the Forum. IAIR is currently scheduled to host the Issues Forum on March 30 in Orlando. Check the most up to date schedule to confirm the time and location.

Carolyn Fahey is the Executive Director of AIRROC. AIRROC, a US based non-profit association, is an organization of companies that have legacy business in their portfolio. Carolyn joined AIRROC in May 2012 bringing with her more than 20 years of re/insurance industry and association expertise to the organization.



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Insolvency Workshop Recap: Shortening the Receivership Road Trip

By Alan N. Gamse

IAIR's 2014 Insolvency Workshop, themed Shortening the Receivership Road Trip, was held in at the Tempe Mission Palms Hotel in



financial regulatory aspects of where the insurance insolvency process has been, where it presently appears to be going and the potential future of its regulation. Ms. Avery reviewed the recent history of the insurance industry as covered by the GAO's Report to Congress, 2002-2011, dealing with insurance markets. She explained the permitted practices utilized by several insurance departments to cope with potentially troublesome financial

Tempe, Arizona, on January 30 and 31, 2014. While abnormally cold weather elsewhere in the United States certainly gave strong incentive to attend this event in warm and sunny Tempe, the broad range of timely topics, presented expertly and in depth, made the event worthwhile for all attendees. And our experience was made even better by unlimited free access to the Hotel's "Snack Shack" during our networking breaks. Interesting IAIR attendees and presentations containing great and timely information, all coupled with unbeatable snacks, were a truly wonderful combination.

conditions for certain insurers. Ms. Avery also covered the recently issued Report of the Financial Stability Board and the suggestions in the GAO Report for strengthening of the insurance regulatory system. Solvency Modernization, Own-Risk Solvency Assessment and the Insurance Holdings Act were all covered by Ms. Avery's comments. Additionally, Ms. Avery discussed possible future actions of the Financial Accounting Standards Board concerning its insurance contract project and proposed GAAP accounting changes, which could move over into the Statutory Accounting arena.

The Workshop began with Co-Chair Douglas Hartz providing an overview of the entire program, which was comprised of ten individual sessions, a luncheon speaker and seven networking opportunities. The program focused on how to shorten the sometimes long and winding road of the troubled receiver and receivership processes. Co-Chair Bruce Gilbert then followed up with a detailed outline of each of the programs to be held over the next day and a half.

William Latza of Strook & Strook & Lavan, LLP, and Harold Horwich of



Bingham McCutchen, LLP explained the usual and unusual developments associated with the insolvency of Financial Guaranty Insurance Company ("FGIC"), a New York domiciled monoline financial guarantee insurer. Messrs. Latza and Horwich were involved in and represented clients on opposing sides of the FGIC insolvency proceedings. They explained

Michelle Avery of Veris Consulting, Inc. presented the first program. She discussed the



Insolvency Workshop Recap (continued)

the traditional municipal bond guaranty business of FGIC and its more recent business providing guarantees in the real estate mortgage backed securities and credit default swap arenas. The insolvency proceedings concluded with the approval of a bondholder proposal. For those interested in this very specialized area, the FGIC website provides access to all of the documents filed in the insolvency proceedings.

Bret Barrett, the Deputy Commissioner of the Utah Insurance Department, and James Kennedy, Counsel to the Receiver, Texas Department of Insurance, spoke about insolvency issues involving captives, risk retention groups and special purpose vehicles. These entities have become more popular in the insurance arena, but their structures create special financial regulation problems, particularly in the absence of guaranty association coverage. The discussion explored the technical differences of business structures utilized in these specialized entities and regulatory issues impacting them.

At the luncheon break, Darren Ellington, the Deputy Director of the Arizona Department of Insurance spoke and covered a wide variety of areas, including how the Arizona Insurance Department was keeping up-to-date with various developing regulatory issues in the insolvency arena.

After lunch, Peter Gallanis, President of NOLHGA, spoke to the group about the resolution of the liquidation of Executive Life Insurance Company of New York ("ELNY"). Mr. Gallanis detailed the establishment of Guaranty Association Benefits Company by the NOLHGA members affected by the ELNY Liquidation and its additional voluntary financial support from certain life insurance companies. The talk was quite informative and was accompanied by detailed slides showing how the liabilities of ELNY would be assumed by the various players and which liabilities would remain uncovered. Mr.

Gallanis concluded his remarks by noting that the ELNY Liquidation could well serve as the model for "the ugliest law school examination question ever."

A panel comprised of Peter Kane of Kane Corporation and Michael B. Flynn and Dennis O'Connor of AlixPartners, explained how to deal with difficult issues that keep estates open



and prevent their closure. They discussed such estate assets as real estate, mortgage portfolios and partnership interests, which may be valuable but of limited liquidity. They also gave advice on dealing with such assets and utilizing them to attain the greatest value for the liquidation estate.

Michael A. Ludwig of Jones, Skelton & Hochuli, P.L.C., and Rand Chritton and GailAnn Y. Stargardt, both of Archer Norris,

P.L.C., discussed insurance claims issues that have extremely long liability tails and prevent liquidation estates from being closed quickly. These include construction defects, toxic tort claims, mass tort claims and minors' claims. Mr. Ludwig walked through a sample of a construction defect litigation matter and discussed litigation trends such as Chinese drywall, dezincification and sulfate attacks. These are often situations where there are



Insolvency Workshop Recap (continued)

multiple insurers with exposures and many of them will still be solvent.

Ms. Stargardter spoke about fracking and pollution claims, which are presently raised in about 20 states. The claims include harm to the environment and individuals, long-tail exposure, uncertainty as respects responsibility and difficulty in quantifying damages. The types of policies with exposure to such claims include CGL, Commercial Property, D&O and Environmental Liability. Litigation issues involving such policies will include whether there has been an occurrence, the number of occurrences, policy triggers and exclusions, uninsured intervening years, allocation of policy responsibility and lost policies.

Rand Chritton explored foreseeable claims that exist on the horizon. They include “football” claims from minors involving concussions and other physical injuries arising from high school and college level sports, “Sandusky type” sexual predator claims involving both church and non-church employers and responsibility for claims involving continuous loss trigger theories.

A panel comprised of Christopher Fuller of the Fuller Law Group, Jackie Rixen of Law Office of Jacqueline Rixen and Steve Durish of the Ohio and West Virginia Insurance Guaranty Associations concluded the day’s presentations by

explaining the efforts of receivership offices and guaranty associations to streamline the liquidation closure process.

The second day of the Workshop began with a panel, comprised of Linda Loomis of the Office of the Ohio Insurance Liquidator and Burnie Burner of Mitchell Williams, discussing the specialized issues that occur when a title insurer becomes insolvent and must be liquidated. Ms. Loomis and Mr. Burner examined some of the problems associated with

the long-tail exposures presented by an insolvency in the title insurance business and gave a detailed explanation of the operations of the Texas Title Insurance Guaranty Association.

Joel Glover of Lewis Roca Rothgerber, LLP, moderated a panel comprised of The Honorable Tom Collins, the Texas Receivership Special Master, and The Honorable Louis F. Rosenberg, a Circuit Judge for Marion County, Indiana. The panelists reviewed the insurance receivership experience from the eyes of the supervising court. Mr.



Collins and Judge Rosenberg discussed their individual techniques and procedures that they utilize to keep insurance insolvency cases moving on their dockets and to protect the interests of the claimants in those cases.



Rowe Snider, of Locke Lord, LLP, then delved deeply into the issues associated with record maintenance and retention by both receivers and guaranty funds. Mr.

Snider explored the problems associated with inherited estate documents, litigation holds and electronic versus computerized documents. He also explored end-of-estate issues, such as how to destroy documents at the proper time and the various restrictions on the disposition of documents by liquidation estates.

Overall, the efforts of



Insolvency Workshop Recap (continued)

Messrs. Hartz and Gilbert, coupled with the really great selection of speakers, presented the attendees with a workshop that gave in-depth exposure to issues that exist in many estates but are often glossed over or inadequately treated. Even attendees who have been long time members of the insurance insolvency community had the opportunity to learn about new nuances in the evolution of our rather esoteric arena!



Alan Gamse is a Principal in the law firm of Semmes, Bowen and Semmes and practices law in Baltimore, Maryland and Washington, D.C. His practice is concentrated in the areas of insurance regulation and insolvency. He currently serves as First Vice-President of IAIR.



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 - (c) the place where you can locate details of the composition of the meetings of Scheme Creditors which the Companies propose to convene for the purpose of voting on the Amending Scheme.
- Information on the proposed classes of Scheme Creditor, as well as other important information in relation to the Amending Scheme, can be found in the Practice Statement Letter which is available on the Companies' website at www.oicrun-offltd.com.

The date, time and location of the Court Hearing will also be confirmed on the website once known.

If you are a broker, agent or other intermediary who has acted on behalf of Scheme Creditors in placing business with one or more of the Companies and you have not provided detailed policyholder contact information to them, please forward this notice to your clients. Alternatively, please provide us with your clients' names and addresses so we can write to them directly.

Certain policyholders may have a policy written through a broker facility (which includes brokers covers, broker lineslips and binding authorities) and may not know the identity of the insurance company. A list of known broker facilities is available on the Companies' website.

FURTHER INFORMATION CAN BE OBTAINED BY CONTACTING THE COMPANIES AS FOLLOWS:

By Post: Armour Risk Management Limited, 4th Floor, 20 Old Broad Street, London EC2N 1DP,
United Kingdom, marked for the attention of Andrew Jones
By e-mail: OICClosureHelpdesk@armourrisk.com
By phone: +44 (0) 20 7382 2020
By fax: +44 (0) 20 7382 2001

If you are interested in participating as an IAIR sponsor, advertiser or wish to receive information about IAIR membership or committee participation, please contact Nancy Margolis, Esq., Association Manager, International Association of Insurance Receivers, telephone 610.992.0015 • nancy@iair.org



SAVE *the* DATES

IAIR Technical Development Series

June
5-6

Rosemont, IL
Doubletree

Summer NAIC Meeting

August
16-19

Louisville, KY
Marriott and Hyatt Regency

Fall NAIC Meeting

November
16-19

Washington, DC
Marriott Wardman Park

INVITATION TO JOIN - If you haven't done so, be sure to join one or more of the IAIR committees that catch your eye. You can express an interest and join by reaching out to the committee chair, self-selecting the committee on the www.iair.org webpage, or speaking with Nancy Margolis. And, if you aren't sure, join us for a committee meeting in Orlando to see what it's all about. Everyone is welcome so pick something and get involved!

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