



# Journal for Insurance Compliance Professionals

A Publication of The Association of Insurance Compliance Professionals

## In This Issue

President's Message	2
How Health Insurers Can Learn to Embrace Their Whistleblowers	5
IIPRC News	8
AICP News	9
Committee Corner	11
Membership Corner	19
Central Region News	23
Gulf States Region News	28
Mid-Atlantic Region News	33
Northeast Region News	38
Northwest Region News	40
South Central Region News	44
Southwest Region News	48
United States News	57
Canada News	61
Officers & Directors List	65
Committee Chairs	66
Chapter Officers List	67
New Members	69

## This Year's Conference is Almost Here!

### 2013 Annual Conference Offers 70-Plus Sessions, 3 Keynotes



Grab Your Passport to Insurance Regulatory Compliance and plan to attend the 2013 AICP Toronto Conference at the beautiful **Westin Harbour Castle!**

This is a must-attend conference. Our Conference Planning Teams have been hard at work preparing more than 70 sessions for you to attend. If you haven't registered yet, there's still time. This year's dynamic program has been developed to ensure that there's something for everyone! We have sessions specific to life and annuity, health, property and casualty, and an "All" category.

We have regulators ready to be a part of it all. Regulators are coming in from Arkansas, Connecticut, the District of Columbia, Florida, Kansas, Maine, Massachusetts, Minnesota, Nebraska, Nevada, New Jersey, Pennsylvania, Puerto Rico, Vermont, and the Interstate Insurance Product Regulation Commission.

Three keynote speakers are scheduled for this year:

**Warren Evans**, a professional speaker, trends analyst, and business strategist, will share his insights with us. He will also hold a session immediately after his Keynote for those who want even more!

**Scott Kipper**, Nevada's commissioner of insurance, will share his thoughts on hot topics affecting his state.

**Patrick C. Reeder, Esq.**, one of our own members will share his thoughts about leadership challenges during the Wednesday breakfast.

#### Be sure to check the AICP Conference Website at

**<http://www.aicp.net/annualconference/2013conference/index.cfm>**

The website has plenty of information, such as a complete listing of the attending regulators, information about the chapter events, Silent Auction, and so much more! Be sure to register while you're on the website!

The Gala is back! We put the Gala on the schedule for Monday evening so that everyone will have a chance to be a part of it.

Plan to spend time in the Exhibitor Hall. There will be door prize activity, a photo show, and Wi-Fi! Bring your mobile devices and use the FREE Wi-Fi being offered in the Exhibitor Hall. Be sure to load the mobile app on your mobile device. For details, check out the Conference News and Events section of the Website.

This is a can't-miss conference, so grab your Passport to Insurance Regulatory Compliance and book that flight.

***We look forward to seeing you in Toronto!***

Nancy L. French, *Conference Chair*

B. J. Baldwin, *Conference Vice Chair*



*AICP President,  
Douglas Simino*

## WOW, What An Amazing Experience...

As I reflect on the past year to write my final article as President of the AICP I find myself flooded with a sea of emotions. This has proven to be one of the most challenging, exciting, and amazing times of my life. I could not have done this if not for all of the hard work and dedication of our volunteers, an excellent management company (Rick and Melissa are the best!), an understanding employer and great staff of employees who allowed me to take time away from work to devote to the AICP, a supportive family who took care of things at home so I could spend extra time at work and travel to several chapter meetings, strong committee chairs, an outstanding board of directors, and many great friends in the AICP who gave me advice and supported me throughout the year. Thank you to everyone for this opportunity!

Instead of my usual recap of what has been going on, I want to talk about one of the most important benefits of membership to me. We frequently talk about the wonderful educational programs and networking opportunities, which are great benefits for our members that help us grow professionally. However, I believe an equally important benefit that often goes unspoken is the lifelong friendships we form along the way that help us grow personally. I cannot fully express how important these personal friendships have been to me over the past year, but I will try by sharing some examples of the amazing people I have met through the AICP that I am honored to call friends. Following is a very personal story that few people know. It is a perfect example of the lifelong friendships I have gained from being a member of the AICP that have made a huge difference in my life.

Not long after being sworn in as vice president of the AICP I was faced with one of the biggest challenges of my life. My best friend was diagnosed with ALS. By mid-year the disease had progressed to the point where he was moved into my home, and his care consumed all of my time. It was during this time that my AICP friends found out about the situation and began reaching out to me. My dear friends Bill and Elaine Douglas, Nancy French, Rick Guggolz and Karen Crooks called me almost daily to encourage me and offer support. Their calls helped me to keep my sanity. As the situation got worse the phone calls increased. My friend finally lost his battle with ALS on September 5, 2012, just three weeks before I was scheduled to be sworn in as your president. I had little time to finalize the Annual Charges for our committees. I had not even started creating the Committee Fair display. Board Reports were due. I had not written my acceptance speech. Plus, I was helping to plan the funeral. Heartbroken and overwhelmed, I didn't know what to do. Again, my AICP friends came to my rescue. Karen and the entire Executive Committee (Nick, Doug, Rick, Rich, and Dawn) sprang into action and quickly began covering things for me. Amazingly, everything came together, and I don't believe anyone attending conference had any clue of the race to the finish that had just taken place.

When I arrived at conference, I was immediately surrounded by my friends. They wanted to help raise my spirits and keep me busy so I didn't have time to dwell on things too much. My biggest concern was keeping my composure and not having a breakdown in front of anyone. My friends made that easy. Rick and Melissa went out of their way to make sure I had everything I needed. They even worked with the hotel staff to make sure there was Dr. Pepper wherever I was. Sue Eckler-Kerns actually made a batch of Dr. Pepper jelly for me, and it was delicious. Bill and Elaine spent a great deal of time talking with me and letting me get some of my emotions out. Steve LeHew, Brady Smith, Kim Kennedy, and many other past presidents gave me advice and encouragement. Karen and the entire Board of Directors all went above and beyond to raise my spirits. Finally, at my first board meeting, the entire board surprised me by wearing special shirts (see picture below). Talk about feeling special. Somehow I made it through conference. I will never forget how my great friends that I met through the AICP helped me through one of the lowest times in my life. I know that I have found friendships that will last a lifetime.

Now that is what I call a benefit of membership. I joined the AICP expecting to learn more about the insurance industry and



*I am pretty sure my dear friend Diane Higdon played a big role in organizing this.*

to build a network of peers I could reach out to. I never had any idea that I would find true friends that would literally change my life!

I encourage all of you to become more involved in the AICP so that you can be blessed with these wonderful friendships as well. You never know when life will throw you a curve ball, and you will need great friends to lift you up!

I am looking forward to seeing all of my friends at annual conference this year on a happier note. While I am sad that my term is ending, I am excited to hand the gavel over to Elaine Douglas to see where she can lead us. I know she has some great ideas that will take the AICP to the next level. I will be here to support her efforts and know each of you will as well.

Thank you for this amazing opportunity. I hope to see each of you in Toronto.

Best regards,

Douglas Simino, President, AICP

*From Miners to Whiners:*

## How Health Insurers Can Learn to Embrace Their Whistleblowers

By Professor James T. O'Reilly

University of Cincinnati Colleges of Law and Medicine

In the last several issues of *The Journal*, we've been running a series of articles on health care exchanges and their role in federal healthcare reform. We're going to depart from that subject temporarily to bring you the following article on a little known-aspect of the Affordable Care Act—whistleblower protection for employees of entities such as health insurance companies. The author, Prof. James T. O'Reilly of the University of Cincinnati Colleges of Law and Medicine, received his undergraduate degree cum laude from Boston College and his law degree from the University of Virginia School of Law.

### Background

Early coal miners used the song of the caged canary inside their coal mine to detect loss of oxygen. Police dramas show how police have convinced the informant to “sing” like a canary as a source of testimony against felons. Often, the informants were the only way for early safety officials to know what the hidden costs of risky mining were, especially when required safeguards were omitted in the quest for more production. The societal cost was the death of miners and closure of the mine. The powerful union representing miners demanded and received from Congress a statutory provision that protected the informants of violations within the coal mines. Strong unions won this maximum protection for workers and spread it to other work sites in the 1970 Occupational Safety & Health Act. In this way, “whistleblower protection” statutes came out of the underground “song” of informants and became an attribute of modern labor protections.

What is a whistleblower? The person must be an employee of one of the types of companies listed in the law; the communication alleging bad conduct must be external to the company, such as a call to a regulatory agency; and the law exists to shield the whistleblower from discipline, such as termination, that the company might impose as a result of the complaint.

### Whistleblowers and the Affordable Care Act (ACA)

Why is this relevant to health insurers? Following examples in other health-related laws like Medicare, the regulators responsible for implementing the ACA promulgated whistleblower regulations as part of the act's regulatory scheme. More specifically, the Department of Labor's regulation provides:

#### 29 CFR § 1984.102 Obligations and prohibited acts.

- (a) No employer may discharge or otherwise retaliate against, including, but not limited to, intimidating, threatening, restraining, coercing, blacklisting or disciplining, any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee (or an individual acting at the request of the employee), has engaged in any of the activities specified in paragraphs (b) (1) through (5) of this section.
- (b) An employee is protected against retaliation because the employee (or an individual acting at the request of the employee) has...
  - (2) Provided, caused to be provided, or is *about to* provide or cause to be provided to the employer, the Federal Government, or the attorney general of a State information relating to any violation of, or any *act or omission the employee reasonably believes to be a violation of, any provision of title I of the Affordable Care Act* (or an amendment made by title I of the Affordable Care Act);
  - (3) Testified or is about to testify in a proceeding concerning such violation;
  - (4) Assisted or participated, or is about to assist or participate, in such a proceeding; or
  - (5) *Objected to, or refused to participate in, any activity, policy, practice, or assigned task that the employee (or other such person) reasonably believed to be in violation of any provision of title I of the Affordable Care Act (or amendment), or any order, rule, regulation, standard, or ban under title I of the Affordable Care Act (or amendment).* [78 Fed. Reg. 13222, Feb. 27, 2013, implementing ACA section 1558, Fair Labor Standards Act 29 U.S.C. 218C.] (Emphasis supplied.)

In other words, the insurance company clerk or phone center call agent who is fired can plausibly say that he or she was about to report an employer for what the clerk or agent reasonably believes to be a breach of an agency rule that implements the ACA. Yes, read the last sentence again and imagine yourself defending a health insurer, a local insurance broker, or the HR benefits coordinator of a factory. Objecting to an assigned task? Has this ever happened in your workplace? In the face of an HHS, CMS, or IRS standard, can an employer of 200 call center agents deal with one agent who is about to object to an assigned task that implements the company's view of that convoluted standard?

Something like the following example might not be far-fetched: Assume that Bob works in underwriting of healthcare insurance policies for ABC Health Insurance Inc., he sees a company action that violates ACA requirements, and complains to state insurance regulators or to the federal Centers for Medicare & Medicaid Services (CMS). ABC fires Bob, and Bob files a whistleblower protection claim with CMS. Labor Department investigators testify before an administrative law judge in a local hearing site about their findings. ABC is ordered to rehire Bob, reinstate him, and pay back pay and attorney fees. Often, the case is announced in the press by a successful lawyer who accepted the case for the whistleblower. So the company loses money, prestige and press status—a rude shock for those insurer managements who aren't aware of the ACA rights.

## Recommendations

So what can or should the insurance compliance professional do? A dozen suggestions follow:

1. The HR manager should be a better listener to the mood of workers about health insurance-related gripes. More information and more frequent explanations will help defuse any lingering dissatisfaction. The HR manager should work closely with your insurance company's compliance department. Compliance managers should note that the state attorney general and not the state insurance department is the designated recipient of worker complaints to the state, but a worker's lawyer can easily claim that the worker was about to call the state attorney general.
2. Compliance should especially educate call center managers. Screen the written script for phone responders especially well, because their termination or outsourcing may lead to "we were told to say [misleading response]" claims. In light of the "about to" clause, the employer gets no benefit from tracing the calls and texts between its offices and the government. Even if the employee were to call and complain about ACA issues on a company phone on company time, there could be no retaliation.
3. How do managers know which employee is likely to become a whistleblower? Loyalties are transient, emotions are variable, and conflicts are inevitable. Train the front line supervisors to defuse hostility about policy decisions. Be sure to postpone disciplinary responses against the complaining employee until Compliance and Legal are consulted.
4. Tune in to what your employees know and what they need to know about the ACA's changes to your health insurance operations. Remember that social media has had a huge role in stimulating the whistleblower phenomenon and in promoting the aggressive tactics of plaintiffs' lawyers. (And you might want to follow your ex-employee's rants on Facebook, once he or she has become an active adversary of the company.)
5. This is an unbudgeted new area of liability expense. Is this costly process of defending your company to be covered as an "insurable event" for the average employer? Probably not, since no actuary can calculate the likelihood that a \$70,000 back pay and attorney fee award will occur in two years after the discipline was imposed. Employment practices liability insurance just doesn't fit in these odd situations, and denial of coverage is probable.
6. Is there a way to stop the whistleblower before he or she starts? Hotlines and mediation are helpful. A fact sheet for the employee who threatens to go to the government should offer mediation and a receptive dialogue, and it can correctly advise that the law allows a \$1,000 penalty to be imposed against a person whose charge is found to be frivolous.
7. Don't overlook the simple steps: Train department managers about the final rules in the February 27, 2013 Federal Register. Strengthen or start a hotline with an outside compliance entity like a CPA or security firm that has experience with complaint processing. Write an operating policy with input from front-line supervisors and educate front-line managers. Tell managers to respect the new governmental role but that they



can, by interacting prudently, make it unnecessary for the employee to use it. Add to the office receptionist's lists a "whom-to-call if Labor Department investigators arrive" page.

8. Adapt to the reality that the ACA confuses geniuses and dummies alike. These whistleblowers are griping about a very complex law. Allow the employee to explain what he or she believes to be the problem, have him or her explain the facts as he or she sees them, document what you can about the policy, and then offer a mediation session—hopefully before the whistleblower gets a lawyer. "I saw on Fox News that Obamacare requires X" is easily corrected with the truth. Mediation may be the fastest way to clear up erroneous perceptions. Spread the correct message through employee social media channels and official postings.
9. Make settlements understandable so that the message gets out to others that the company takes them seriously, but don't expect line managers to embrace settlement as a win/win. If the back pay liability and legal fees would be \$100,000, make a \$20,000 buyout settlement a matter of public record in the court file, so you can respond later to any charge of hush-hush cover-up of wrongdoing. It seems counterintuitive to admit that you have paid if you don't believe that you were wrong, but insurers confront that pragmatic reality every day.
10. If your outside counsel huffs about hanging tough, ask, "Does a lengthy fight increase the odds that other employees would also complain to state or federal offices?" Macho lawyers will say that it is better to go through the full investigation and hearing and then go to federal court to fight tooth and nail, just as a company might fight a chronic absentee's unemployment claim of discharge without just cause. The lawyer may assert that costs of pre-hearing and pre-trial discovery will drain plaintiff attorneys and lower their resistance to accepting an offer of a low payment settlement.
11. If your work force is unionized, negotiate with the union for a contractual grievance provision that requires the employee to use that faster voluntary mechanism, unless the worker was no longer or never covered by a union contract. Get the union to announce to workers the option of grievance resolution of any conflicts related to health insurance as a smarter faster means of resolving the employee complaint.
12. Finally, consider broader use of private mediation. Mediation of disputes is to be encouraged as a mutual voluntary settlement process. Federal labor investigators will take longer, and their backlogs mean that delay in getting to an actual hearing will reduce the accuracy of recollections of who said what to whom. The angry ex-employee's ideal vision of a federal judge blasting a bad supervisor is a revenge story that is a fantasy. Court action could go either way, and it arrives only after exhaustion of administrative remedies over several years. Revenge and vindication don't justify the lengthy processes of these administrative remedies.

## Summary

The folk song writers asked, "Do you hear that lonesome whistle blowing in the distance?" It may be your next crisis of compliance, coming down the tracks. Think about how best to anticipate, avoid, and defend these cases, before they arrive. It has been a long way from miners to whiners and you need to be prepared.



Actuarial | Analytics | Commercial Lines | Farm &amp; Ag | Government Affairs | Inland Marine | Personal Lines

**People you can rely on...**

Jane Chlapaty | Supervisor of Filings &amp; Compliance



“Every day we work with state insurance departments so we can better serve our member companies.”

Jane Chlapaty is AAIS's Supervisor of Filings and Compliance. Before coming to AAIS, Jane spent 18 years with Allstate Insurance, five years with North American Life and Health, and five years with the Society of Actuaries.

**Connections You Can Count On**

Time is money when you are trying to get your insurance products to market. Working with AAIS, you can reduce that time greatly with support from a skilled, seasoned product compliance team.

Our specialists typically manage more than 2,000 filings a year in 52 jurisdictions. Whether it's establishing filing authorization, filing a program on your behalf, or submitting a customized filing, AAIS will work directly with you to manage regulatory requirements in each jurisdiction.

As a member-owned, member-driven organization, we have only one measure of our success: Your success. Isn't it time you considered AAIS?



Products and people you can rely on

To learn more, visit:  
**[www.aaisonline.com](http://www.aaisonline.com)**

## Publisher's Statement

The Journal is published on a quarterly basis for the members of AICP. General correspondence and membership applications should be mailed to:  
**Association of Insurance Compliance Professionals**  
**12100 Sunset Hills Road, Suite 130, Reston VA 20190-5202**  
 Phone 703-234-4074; fax 703-435-4390

The information contained in the newsletter is complete and accurate to the best knowledge of each contributor. The Association, however, assumes no responsibility. Readers are advised to confirm all information through alternative sources. **Editorial copy may be mailed directly to Stacy Adams, Karen Crooks, or Darrell Turner.**

### Editor

**Darrell Turner**  
 National Editor, AIS, ARC, ACP  
 Brotherhood Mutual  
 Insurance Company  
*Regulatory & Compliance Specialist*  
 6400 Brotherhood Way  
 Fort Wayne, IN 46825-4235  
 260-481-9963

### Assistant Editors

**Stacy E. Adams**  
 Ullico Inc.  
 1625 Eye Street, NW  
 Washington, DC 20006  
 202-354-8079

**Karen Crooks, FLMI, AIRC, AAPA, AICS**  
 One America  
 One American Square  
 Indianapolis, IN 46206  
 317-285-5510

### Consulting Editor

#### Canada and United States:

**Brady Smith**  
 Symetra Life Insurance Co  
 P.O. Box 34690  
 Seattle, WA 98124-1690  
 425-256-6325

### Regional Editors

#### Central Region:

**Joe Wilson**  
 Hiscock & Barclay, LLP  
 2000 HSBC Plaza  
 100 Chestnut Street  
 Rochester, NY 14604  
 585-295-4460

**Cynthia Burleson**  
 Crum & Forster  
 P.O. Box 2020  
 Conway, AR 72173  
 501-450-6803

#### Gulf States:

**Rich Fidei, Esq.**  
 Colodny, Fass, Talenfeld,  
 Karlinsky, Abate & Webb  
 One Financial Plaza, 23rd Floor  
 100 Southeast Third Avenue  
 Ft. Lauderdale, Florida 33394  
 954-492-4010

**Anthony C. Roehl, JD**  
 Morris, Manning & Martin LP  
 3343 Peachtree Road, NE  
 Ste 1600 Atlanta Financial Center  
 Atlanta, GA 30326-1044  
 404-495-8477

#### Mid-Atlantic Region:

**Betty Dabrowski**  
 McHugh Consulting  
 Resources Inc.  
 350 South Main Street,  
 Suite 103  
 Doylestown, PA 18901  
 215-230-7960

#### Northeast Region:

**Marlyse Tritt**  
 New York Life  
 Insurance Company  
 6200 Bridge Point Parkway,  
 Suite 400  
 Austin, TX 78730-5006  
 512-344-5912

#### Northwest Region:

**Jan Vitus, CIC, MHP, HIA, CRM, CCP**  
 Department of Consumer &  
 Business Services  
 Oregon Insurance Division  
 350 Winter Street NE  
 Room 300-5  
 Salem, OR 97301  
 503-947-7278

**Doug Geraci, CPCU, ACP**  
 Symetra  
 381 South Ferry Street  
 Monroe, WA 98272-2309  
 425-256-6335

#### South Central Region:

**Lori A. Chambers, AIRC**  
 State National Companies  
 8200 Anderson Blvd.  
 Fort Worth, TX 76120-3620  
 (800) 877-4567 x1224

#### Southwest Region:

**Lana Begunova**  
 Perr & Knight  
 401 Wilshire Boulevard  
 Suite 300  
 Santa Monica, CA 90401  
 310-230-9339, ex. 151



## Are You Involved in Health Care Reform Implementation?



AHIP's **Affordable Care Act (ACA) Compliance Series** of online courses provides you with a solid understanding of the ACA. This added knowledge can help you achieve a smooth and more rapid implementation. Courses include:

- **Accountable Care Organizations (ACOs)**
- **Health Insurance Exchanges and the Affordable Care Act (ACA)**
- **Understanding Medicare**
- **Understanding the Summary of Benefits and Coverage (SBC)**

**Learn. Achieve. Succeed.**

Content and Design AHIP—All Rights Reserved. © AHIP 2013



Earn one credit for each course toward the **Healthcare Compliance Professional™** designation. For details, visit [www.ahip.org/courses](http://www.ahip.org/courses).

## IIPRC News

### It's Been a Fruitful Summer at the Interstate Insurance Compact

*(Provided by the Interstate Insurance Product Regulation Commission)*

The Insurance Compact has had a very fruitful summer as more companies continue to take advantage of its speed-to-market and uniformity benefits. On July 1, the annual registration fee was prorated in half. More specific details regarding the cost may be found on the Compact Fee Structure on the Insurance Company Resources page of the Insurance Compact's website.

By registering with the Insurance Compact, companies can experience the benefits of preparing one filing under one set of standards for one submission subject to one review and approval currently in more than 40 states. Many filings are approved in less than 25 review days. Arkansas began accepting Compact-approved products on August 29, and Montana will begin accepting Compact-approved products (unisex) for individual life and annuities on October 15. Filers may file under 91 Uniform Standards currently in effect for all four individual product lines – life, annuity, long-term care, and disability income – as well as group term life for employer/employee groups.

In June, additional group term life Uniform Standards became effective, and even more will be effective in September. The accelerated death benefit standard is the last one in this product line, and it was scheduled for adoption during the August in-person meeting of the Insurance Compact.

At the end of July, the Illinois Stay of Uniform Standards for the Additional Standards for Market Value Adjustment Feature Provided through a Separate Account expired. Illinois is now participating in all adopted uniform standards. For companies that have already filed an MVA with the Insurance Compact, you may now add Illinois to this filing through the Add-A-State feature.

Also, in July the Insurance Compact refreshed and cleaned up its website to make it more user-friendly. You may notice that some of the tools have been

consolidated with other tools into new boxes – e.g., the TOI Link is now under Reference Materials with the archive of the Weekly Tips and the Best Practices Checklist. Updates may be seen on other pages of the website as well. For instance, the State Premium Volume Chart, the IIPRC Minutes, and Product Filing Statistics have all been moved to the home page. Do you have any suggestions as to how to make the Insurance Compact's website more user-friendly? The Insurance Compact has a Suggestion Box on its website and encourages regulators and filers to pass along continuous improvement ideas.

The five-year review of Uniform Standards and Operating Procedures is under way. The five-year review is prescribed by the Rulemaking Rule and requires the Insurance Compact to accept comments and consider the need for continuation, repeal, or amendment of the Rules, Operating Procedures, and Uniform Standards. The IIPRC Office recently issued its report and recommendation on the five year review of Uniform Standards adopted on or before December 31, 2007. On August 1, the Insurance Compact also issued another notice regarding the five-year review of the Uniform Standards, Operating Procedures, and Rules adopted between July 1 and December 31, 2008. More specific information may be found on the Docket web page, including instructions on when and how to submit comments.

Now is the perfect time to get your feet wet with the Insurance Compact and register and file to experience the speed-to-market benefits. Join the more than 160 companies that have registered and filed over 430 products already this year. More information about the Insurance Compact may be found at **[www.insurancecompact.org](http://www.insurancecompact.org)**.





## AICP News



### New Leadership Team Elected

The ballots have been cast, and the votes are in and have been tallied. The AICP Nominating Committee is proud to announce your leadership team for 2013 – 2014.

Your new National Vice President (*who will become president next year and then serve as past president*) is **Sue Eckler-Kerns**. The new Secretary is **Karen Pollitt**, and **Jim Morgan** is serving as Treasurer. We want to thank those who took this opportunity to step into a leadership role – it's a great statement about the dedication of our volunteers to even run for a position. We thank all of those who ran and to the volunteers who have spoken by casting their vote.

Also serving on the national board in the coming year are these new regional directors:

Vicki Goodman, Heartland Chapter  
Matt Brasch, Mid-Atlantic Chapter  
Lee Davidson, New England Chapter  
Donna Benard, South Central Chapter

In addition to these national officers, the following people were elected in the chapters:

#### Great Lakes:

Terrence Patrick Coleman, Vice President  
Jacquie Crader, Secretary  
Daniel Cotter, Treasurer

#### Gulf States:

Maria Moller, Secretary

#### Heartland:

Lillie Peshel, Vice President;  
Debby Paris, Secretary;  
Kaci Barreto, Treasurer

#### Mid-Atlantic:

Mattia Scharfstein, Vice President  
Susan Coulter, Secretary  
Silje Roalsvik, Treasurer

#### Midwest:

Gary Behling, Vice President  
Christie Lee, Secretary  
Don Rickert, Treasurer

#### New England:

Michael Sternberg, Vice President  
Theresa Lavenburg, Secretary  
Sarah Huffer, Treasurer

#### Northwest:

Damon Campbell, Vice President

#### South Central:

Marlyse Tritt, Vice President  
Ranita Grauwiler, Secretary  
Cynthia Burleson, Treasurer

#### Western:

Tim Moroney, Vice President  
Lisa Keller, Secretary  
Lori Munn, Treasurer

We wish all of these officers the very best in the coming year! Thank you for your dedication to the AICP by accepting these leadership roles.

*Karen Crooks*  
2013 Nominating Committee Chair

## AICP News

### Scholarship Winners Announced

The AICP Scholarship Program has provided educational opportunities to selected students since 2004. To encourage and support those who have an interest in a career in the insurance industry, we award up to three \$1,000 scholarships annually. The applicants must be pursuing undergraduate or graduate degrees in insurance, actuarial science, economics, finance, management, mathematics, risk management, statistics, or another business-related field with a minimum grade point average of 3.0. We are proud to announce the 2013 AICP Scholarship winners. Out of the 31 applications we received, these three individuals most exemplified the qualities and goals AICP is encouraging and supporting with these scholarships.

#### *Congratulations to:*



**Alyssa Bouchard**  
Appalachian State  
University



**Hayley Peppers**  
Concordia University  
– Wisconsin



**Daniel Widmann**  
Ball State University

*Michael Fioto  
Shirley Grossman  
Deborah Rainey  
2013 Education Committee  
Scholarship Subcommittee*

## Special Thanks to the 2013 Bylaws Committee

*From Rich Fidei, Chair  
Bylaws Committee*

The Bylaws Committee addresses fundamental issues related to the operations of the AICP every year. We rely on a good team of “thought leaders” to establish protocols to address our corporate governance protocols. This year, we had terrific participation by our volunteer members and we achieved some very important objectives.

The principal role of the committee is to recommend changes to the AICP’s Bylaws – which govern the operations of the National organization – and the Model Chapter Handbook – which sets forth governance provisions to be adopted by each AICP chapter. We also are charged with review of several important policies and guidelines that direct important aspects of the AICP’s operations.

This year, changes to the bylaws and Model Chapter Handbook proposed by the committee were approved by the national Board at its July meeting.

Also, the board approved committee-recommended changes to the AICP’s Privacy Policy and Code of Professional Conduct and received revisions from the committee to our Records Retention Guidelines.

We have a dedicated group of volunteers on the Bylaws Committee. We are fortunate to have several members who have been on the committee for years. This provides much-needed continuity as the Committee works through its mission.

I want to sincerely thank the members of the Bylaws Committee: Charlie Lynch, Shirley Grossman, Dave Milligan, Julie Levine, Nick Marrangoni, Dan Cotter, Bob Lutton, Matt Brasch, and David Deal. Your willingness to take time out of your very busy schedules to help the AICP is greatly appreciated!

We now turn our thoughts to next year and the challenges ahead. If you are interested in joining our committee, please let me know.

## Conference Planning Committee Says “Thank You” to Its Volunteers!

*From Nancy L. French, Conference Chair  
BJ Baldwin, Vice Chair*

The Conference Planning Committee is the largest AICP committee. Each year, volunteers work hard as dedicated members to ensure that we have a meaningful conference filled with sessions, expert industry

and regulator speakers, keynote speakers, exhibitors, a Silent Auction, special events, and the list goes on. We feel it is important to share the details of each team who helped with this year’s conference planning.

To give you a quick glance at the size and scope of this committee, check the list of hard-working volunteers!



### Association of Insurance Compliance Professionals® 2013 Conference Planning Committee Members

Name	Employer	Chapter
Peg Ising	NLDH Law	MIDWEST
Cailie Currin	Currin Compliance	NEW ENGLAND
Dave Milligan	American Equity Investment Life	HEARTLAND
Machael Heise	Pacific Life Insurance Company	WESTERN
Eileen Breen	MetLife	MID ATLANTIC
Lisa Cooper	Nationwide Financial Services	MIDWEST
Kathy Ducharme	Thrivent Financial for Lutherans	GREAT LAKES

**2013 Conference Planning Committee Members** (continued)

Name	Employer	Chapter
Maysy Novak	Pacific Life Insurance Company	WESTERN
Susan Kalmus	CMS/CCIIO	MID ATLANTIC
Maryana Grodnova-Ware	Nebraska DOI	HEARTLAND
Lillie Peshel	EquiTrust Life Insurance Co.	HEARTLAND
Betty Dabrowski	McHugh Consulting	MID ATLANTIC
Doug Freeman	unlisted	HEARTLAND
Susan Bradbury	Berkley Accident & Health	GULF STATES
Shirley Grossman	Lincoln Heritage Life Insurance	WESTERN
Karen Crooks	OneAmerica Companies	MIDWEST
Sam Garro	Philadelphia Insurance Co	MID ATLANTIC
Ines Piquet	Perr & Knight, Inc.	WESTERN
John Gatlin	Illinois DOI	GREAT LAKES
Denise Tessier	Wolters Kluwer	EW ENGLAND
Larry Gross	Self employed	MID ATLANTIC
Carolyn Heindl	Virginia Surety Company, Inc.	GREAT LAKES
Roger Osgood	ACE	GULF STATES
Nicole Calhoun	Medmarc Casualty Insurance Co.	MID ATLANTIC
Howard Chandler	Martin & Company	MID ATLANTIC
Cate Paolino	Travelers	NEW ENGLAND
Steve Youngkrantz	Safeco Insurance Companies	NORTHWEST
Rona Finkelstein	IWIF	NORTHWEST
Jan Vitus	Oregon DOI	NORTHWEST
Tina Knight	Madison Consulting Group, Inc.	GULF STATES
Marryjo Ortiz	New York Life Insurance Co.	SOUTH CENTRAL
Shirley Grossman	Lincoln Heritage Life Ins.	WESTERN
Billie Jean Baldwin	Transamerica Employee Benefits	MID ATLANTIC
Jane Chlapaty	American Association of Ins.	GREAT LAKES
Pam Bethea	The Baltimore Life Insurance Co.	MID ATLANTIC
Deb Matthews	Old Republic Insurance Company	GREAT LAKES
Pam Sampey	Zurich	GREAT LAKES
Steve Fisher	Beazley Insurance Company, Inc.	NEW ENGLAND
Ron Haughton	Gerber Life Insurance Company	MID ATLANTIC
Carol Heard	California Casualty Management	WESTERN
Brian Hoffman	The Travelers Companies, Inc.	NEW ENGLAND
Rolf Junge	Oregon DOI	NORTHWEST
Kim Kennedy-Gillette	The Travelers Companies, Inc.	NEW ENGLAND
Jeff Nash	The Nash Group	GULF STATES
Mary Anne Perrucio	The Travelers Companies, Inc.	NEW ENGLAND
Theresa Lavenburg	The Travelers Companies, Inc.	NEW ENGLAND

## 2013 Conference Planning Committee Members (continued)

Name	Employer	Chapter
Elizabeth Tosaris	Locke Lord LLP	WESTERN
Steve LeHew	Zurich North America	GREAT LAKES
Erica Brownell	Washington Surveying & Rating	NORTHWEST
Laura Bullard	Foresters	NEW ENGLAND
Tina Knight Madison	Madison Consulting Group, Inc.	GULF STATES
Julie Levine	Cigna	MID ATLANTIC
Jean Moriarity	Zurich	MID ATLANTIC
Francine Williams	State Auto Insurance Company	MIDWEST
Nancy French	Compliance Research Services, LLC	MIDWEST
Doug Simino	Transamerica Employee Benefits	SOUTH CENTRAL
Tyrone Settlemier	AmTrust North America	SOUTH CENTRAL
Sue Eckler-Kerns	The Prudential Insurance Co.	MID ATLANTIC
Doris Jackson	Ohio National Financial Serv.	MIDWEST
Frank Gelormini	The Prudential Insurance Co.	MID ATLANTIC
Stephen Snitsky	AmTrust North America	MIDWEST
Sonja Rodebaugh	Martin & Company	GREAT LAKES
Nikki Porter	SAI Global	GULF STATES
Sally Lane	Thomson Reuters	SOUTH CENTRAL
Paul Lindeman	Catholic United Financial	HEARTLAND
Elaine Douglas	Red Shield Insurance Company	NORTHWEST
Sean Cox	First Consulting & Administration, Inc.	HEARTLAND
Debby Paris	First Consulting & Administration, Inc.	HEARTLAND

The **Activities Team** has a vast range of duties. It coordinates the Silent Auction, which includes charity selection as well as collection and processing of the donations. The Activities Team also makes sure all is well with the Education Committee by developing extracurricular activities, gathering information about local attractions, and more. For 2013, the Activities Team planned Monday night's Gala, an evening filled with multiculturalism! This is a team that makes it all seem so easy!

The **Website Team**, which appears seamless, has some of the most intense work. The Website Team removes last year's conference website and loads all the pieces of this year's conference website. The Website Team is a very hard-working team with a job that never seems to end. Our many thanks for making Conference Planning look so good!

The **Promotions Team** is new this year. The Promotions Team works with the Exhibitor Team, Media Team, Marketing, Advertising, Photography Team, and Logo Shop.

The **Exhibitor Team** starts its work in February and works straight through to conference. The Exhibitor Team works in great detail to prepare an Exhibitor/Sponsorship prospectus that describes the costs, specifics, and advantages of being either an exhibitor or a sponsor. It also works endlessly creating communications with exhibitors including coordinating the annual door prize activity. This year, we can expect another fun puzzle in the Exhibit Hall!

The **Media Team** prepares and oversees the presentation of each slide show that plays during our meals. The slide presentations take great patience and detail for sure! Just remember to smile the next time you're at that podium!



The **Marketing Team** works diligently to ensure that clear communications are on task and shared with organizations outside of the AICP. Perhaps you've seen some of those AICP communications on LinkedIn, or another social media source?

The **Photography Team** is a team that has taken on new tasks this year. In an effort to update Conference Planning with technology, the Photo Team created a photo show for all to see in the Exhibitor Hall. The next time someone approaches and asks for your photo, SMILE, because you may be on a screen in the Exhibitor Hall!

The **Executive Team** is made up of the Conference Planning chairs, the president, the vice president, and Melissa Pomerene and Rick Guggolz of DMG, the AICP's management company. This team is the most visible throughout the conference preparation process. You'll spot each of its members at Conference on the stage at some point! As they stand at the podium, they will recognize the hard work of all the national committees and present various awards, and at the end of conference, they will present the conference donation to the Silent Auction cause. They work endlessly to make everyone look good.

The **Program Team** is the largest group of all, and saved for last. What an awesome team! This is the team that puts its mark on conference planning each year. Its goals are to bring each attendee topics with the best of the best speakers. This year, this team is broken into four areas: (1) Life, Annuity, and Health (with a separate program segment on health), (2) Property and Casualty, (3) All, and (4) Regulators. The Program Team started with brainstorming for appropriate topics for this year and then searched for regulators and speakers. Once topics and speakers were identified, the challenge was to match the best speaker with the chosen topic and then slotting that into the schedule. Of course, the team coordinated speaker availability and travel, and oh, the paperwork! So many details! Because of the many complicated tasks from the Program area, conference chairs are often a considered choice from the Programming area. We admire their organization and managerial skills!

Conference planning is more than an annual event. It is a process of AICP community members who are dedicated and respond to the needs of members who plan to attend the Annual Conference.

Please join us in our many thanks for all of the hard work and great respect that we have for each and every member of the 2013 AICP Toronto Conference Planning Team.

## Special Thanks to the 2013 Education Committee Members

*From Michael Fioto and Maryana Grodnova-Ware  
Co-Chairs*

We would like to thank the members of the Education Committee for all their hard work and dedication this year. Each member brought commitment and talent to the committee, and we sincerely appreciate each one of them. The current committee members are Lois Alexander, Anne Aponte, Gaile Beebe, Robin Cherry, David Deal, Sam Garro, Anne Grobbsen, Shirley Grossman, Mike Hailer, Michael Hollar, Tamara Loper, Stephanie McBride, Skye Miles, Donna Peterson, Deborah Rainey, Chris Throckmorton, Jan Vitus, and Steve Youngkrantz.

The Education Committee is responsible for the ongoing review of the AICP Certification Program, which is comprised of the Associate Compliance Professional (ACP) and Certified Compliance Professional (CCP) designations. We ensure that applicants have completed the proper requirements and confer designations at the Annual Conference. Both designations require courses from the American Institute of Chartered

Property and Casualty Underwriters (AICPCU), the Life Office Management Association (LOMA), America's Health Insurance Plans (AHIP), and other organizations that offer educational courses. The committee monitors and develops educational programs that will meet the needs of our diverse membership and support a culture of compliance.

The Education Committee assumed responsibility for handling the AICP's National Scholarship program. It received and reviewed 31 applications and selected three very worthy candidates to receive the 2013 scholarship awards.

The committee is also charged with providing webinars at the national level. The first webinar for 2013 was presented in June and focused on climate change. The second webinar was presented in August and focused on emerging issues in the surplus lines arena.

We aspire to enhance the educational pursuits of our members. We welcome any member to join our team and thank those who take the time to volunteer.

## Thank You, Finance Committee

*From Doug Geraci*

*AICP Treasurer and Finance Committee Chair*

The Finance Committee's annual charges include, but are not limited to:

- developing a national budget,
- providing guidance and acting as a resource for chapter treasurers,
- monitoring our monthly financial statements,
- reviewing out-of-budget requests,
- overseeing the implementation of the AICP's Investment Policy, and
- maintaining finance related policies and procedures on the AICP website.

Through hard work, perseverance, dedication to the AICP, and a genuine interest in all things finance related, the Finance Committee was able to meet its objectives this past year and have fun in the process. The efforts put forth by the committee helped make a difference for the organization as a whole.

We faced many new challenges this past year and didn't back down from a single one. How do you train new chapter treasurers and national committee chairs on the budget process and then expect them to submit their budget numbers in less than two months' time? It's not easy, but it was done successfully in October/November 2012. How do you budget for a conference held in another country knowing you need to deal with currency conversion, tax and import issues? That, too, was accomplished before the end of 2012. How about breaking in a new accountant at our management firm, DMG, in January 2013? He's up to speed on our account as of this article; thanks,

Lew! And finally, how do you do all of the above and at the same time implement the AICP's recently approved investment policy with a new investment advisor? Somehow, not only did all of these events occur in about a four-month window, but they were all successfully accomplished on time. That in itself speaks volumes of the character, experience, and teamwork of the committee members this past year. These were all monumental tasks, and everyone chipped in to accomplish our goals. It was a true team effort.

I would like to thank and recognize the following individuals for their contributions to the AICP and Finance Committee:

Cindi Burleson	Edward Lybrook
Lee Davidson	Nick Marrangoni
Carole Deschambault	Jim Morgan
Bill Douglas	Michelle Ringelheim
Elaine Douglas	Tyrone Settlemeier
Dan Hurley	Doug Simino
Diane Karis	Jesse Wilbanks
Gail Leeds	

I would especially like to thank those committee members who hung in there with me these past two years! I learned plenty from everyone, not just about the AICP, but also about sticking through the tough times, working with others, appreciating other points of view, and how everyone was able to bring unique talents together to accomplish a task, no matter how difficult. I'll never forget my time as treasurer, but I must say, I'm looking forward to "retirement"!

Thank you, Finance Committee, for making the AICP a much better and financially successful organization.

## We are so Grateful for our AICP Website Committee

*From Sue Eckler-Kerns and Katie Gurnett*  
*Chairs*

The members of the AICP Website Committee—Matt Brasch, Maryana Grodnova-Ware, Nikki Porter, Debbie Shortridge, Brady Smith, Michele Speidel, Tyrone Settlemeier, Laurie Christensen, Nicholas Popp and Frank Gelormini—helped to keep our website refreshed for our chapters, committees, and board members by coordinating the addition of new content and updating the Event Calendar and Association News. Several committee volunteers helped with the testing of the election module to ensure that AICP members have a great experience when casting their votes. Matt Brasch worked on the Media Library look and feel so visitors

could find items easier. In addition, we developed some guidelines for the Media Library that will help the Education Committee take over the administration of this part of the website. We also documented guidelines concerning website passwords. Tyrone Settlemeier coordinated all of the moving parts to this year's conference mini-site. Brady Smith and Nikki Porter monitored emails and discussion forum postings. The committee also looked at other websites to get ideas to enhance our website. A survey was sent to membership to get feedback to help with the web refresh, which should start in the near future.

Thank you, team, for making the AICP Website a great experience for our members!

## A Big Thank You to Members of the Marketing Committee

*From Bill Douglas and Susan Bradbury  
Co-chairs*

Thank you very much for all of your efforts this year as the 2012-2013 Marketing Committee set out to achieve another banner year. Each of you has shown what can be accomplished when our AICP volunteers pull together to get things done – the true spirit of volunteerism!

Here are just a few of our accomplishments this past year:

### — AICP Marketing Policies & Guidelines

We rolled out the AICP's marketing policies and guidelines that had been reviewed and approved by the board last year to our national committees and chapters. Additionally, we reviewed committee and chapter communiqués to ensure conformance with those policies and guidelines.

### — Updated and Refreshed Marketing Materials

We completed and rolled out the updated and refreshed industry and regulator marketing materials, which provide a consistent use of our brand as well as a common look and feel.

### — Written Marketing Strategies

We facilitated the process to develop written marketing strategies by the AICP's national committees whose Annual Charges included marketing components. This resulted in numerous marketing strategies developed by the Membership, GIR, Education, and Conference Planning committees.

### — Public Relations

This was a HUGE year for our Public Relations Team. We helped chapters get the word out about their respective E-days, chapter meet-

ings, and co-hosted webinars. We also worked closely with the Education Committee in terms of marketing its educational webinars. The PR energy from this year will move strongly into next year and be ramped up even further.

### — Community Affiliations

We moved from a "reactive" team to a "proactive" team in terms of our community affiliations initiative with other insurance compliance organizations. We identified a number of targeted, educational industry organizations and have been working with them on potential activities to collaboratively enhance and recognize the value of each organization.

### — PR for Annual Conference

We worked very closely with Conference Planning leadership to get the word out about the Annual Conference. We've enhanced our ability to market the Annual Conference beyond our membership to the industry as a whole.

These are just a few of the many, many successes achieved by you, our Marketing Committee members. Thank you very much for your determination and your commitment to the AICP and to our Marketing Committee!

The strength of the AICP lies in its members, especially those who volunteer to get in and support our initiatives and activities. And it's clear that the Marketing Committee's success this past year is due to the efforts of each and every Marketing Committee member. A big Thank You to each of you: Carolyn Branch, Shirley Grossman, Carol Heard, Carolyn Heindl, Ludmila Kandiba, Karen Pollitt, Nikki Porter, Deborah Rainey, and Jackie Ward.

Because of each of you, the Marketing Committee ROCKS!!!

## Thank You, Membership Committee – You Made a Difference

*From Erica Brownell and Florence Marafatsos  
Co-Chairs*

The National Membership Committee co-chairs would like to recognize the following committee members for their contributions and commitment toward the goals of the AICP and our 2013 annual charges including:

- Coordinating Logo Shop Activities
- Publication of the Annual Membership Directory

- Developed Membership Marketing Strategies
- Dues Recommendations

Thank you for your loyal dedication and for making our organization stand above the rest!

Rebecca Booth	Maysy Novak
Katherine Brooks	Shawna Pope
Dan Cotter	Bob Roth
Susan Coulter	Lea Stokes
Carol Heard	Jackie Ward

## Thank You, Nominating Committee

*From Karen Crooks  
Chair*

I would like to thank all of this year's Nominating Committee members. We are a small group in number, but working together, we accomplished a lot this year! I especially appreciate all of the assistance this year from Jackie Ward, Charlie Lynch, Shirley Grossman, and Mary Keim. We lost two members when they recused themselves from the committee when they decided to run for national leadership roles—Lee Davidson and Jim Morgan. This is great for the AICP, but we missed them on the committee

The Nominating Committee is tasked with overseeing the elections of the AICP. One may think that since the elections only occur in a single month, our

jobs are easy—which is not true. The Nominating Committee sets the various dates for the election process based on the requirements of the AICP by-laws. We assist the chapters and support them in the use of the online election module. We also review the various website pages and WIKI pages assigned to the committee and review the election and campaign guidelines and national nominating material.

If you are looking at getting involved on a national committee, I suggest you take a look at the Nominating Committee. It's a great committee, and it's a great starting point to being an active participant in the AICP.

I wish Doug Simino all the best as he takes over the chair of this committee in 2014!

## Thanks to the Publications Committee Members

*From Darrell Turner and Karen Crooks  
Publications Committee Co-Chairs*

We have all heard the saying, "It takes a village....." Well, it definitely "takes a village" to compile the articles, the regional information, and the AICP information in each edition of The Journal. Our volunteers continuously strive to make The Journal the best that it can be. Our committee members work throughout the year to produce each edition. We are especially appreciative of AICP members Charlie Lynch and Sean Cox, who have helped to provide the series articles on healthcare reform this year. We are always appreciative of the articles from our friends at the Compact – it's most helpful in keeping up with what's going on there. We have been fortunate to have other insurance topics covered in The Journal, such as fraud reporting and training. We also hope you have enjoyed getting to know the Members in the News throughout the year. As

noted in our President's Message in this issue, it's these personal relationships that further enhance our membership in the AICP.

The 2013 Publications Committee members are:

Stacye Adams	Joe Wilson
Rich Fidei	Anthony Roehl
Betty Dabrowski	Cindi Burleson
Jan Vitus	Doug Geraci
Lori Chambers	Lana Begunova
Brady Smith	Marlyse Tritt

If you are considering working on a committee, we welcome all members to join our team! We are currently looking for an assistant editor and additional regional editors. If you have any questions on these roles, or any suggestions on how we can further enhance the Journal, please contact Darrell Turner at [dturner@brotherhoodmutual.com](mailto:dturner@brotherhoodmutual.com) or Karen Crooks at [Karen.crooks@oneamerica.com](mailto:Karen.crooks@oneamerica.com).

Dentons is proud to sponsor the  
**2013 AICP Annual Conference**

With a comprehensive grasp of the changing insurance landscape, we guide you through every facet of regulatory compliance.

**Kara Baysinger**

D +1 415 882 2475

kara.baysinger@dentons.com

**Bruce Baty**

D +1 816 460 2495

bruce.baty@dentons.com

Meet Dentons. The new global law firm created by Salans, FMC and SNR Denton.

**DENTONS**

Know the way

dentons.com

© 2013 Dentons. Dentons is a global legal practice providing client services worldwide through its member firms and affiliates. Attorney Advertising. Please see dentons.com for Legal Notices.

THOMSON REUTERS

**ACCELUS**



REGULATORY INTELLIGENCE SOLUTIONS FOR INSURANCE PROFESSIONALS

COMPLY WITH CONFIDENCE

**IDENTIFY RISK & STAY INFORMED**

Compliance Advisor

Easily understand rules and regulations. Compliance Advisor ensures that you know and understand the rules, how they might change and how to operate within them. From a single location, quickly access key federal and state insurance statutes, regulations, bulletins, latest changes, and supporting tools.

Capitol Watch

Save time and stay organized with the industry leader. Capitol Watch allows you to easily identify, monitor, and track all PENDING regulations and bills are important to you, anywhere in the country.

**MANAGE YOUR RISK & PROTECT YOUR REPUTATION**

Compliance Complete US Insurance Edition

Quickly identify what impacts your organization. This solution refines complicated, disorganized legal information and addresses day-to-day issues in a consistent format, summarizing regulations, statutes, and bulletins information in one place.

Scan QR Code with your mobile device for a free 300 minute trial of Capitol Watch or Compliance Advisor.  
Visit: [accelus.thomsonreuters.com/300free](http://accelus.thomsonreuters.com/300free)





## Members in the News

### Julie A. Levine, JD *Bylaws Committee*



Julie has been in the insurance industry for the past 14 ½ years. She joined Cigna in 1999, after graduating from law school. For the many years prior to working in the insurance industry, Julie made her living in Jewish communal service. At Cigna, Julie is one of two personnel who comprise the compliance area of the Corporate Owned Life Insurance (COLI) Department. COLI is a niche product that is marketed primarily to corporations and banks to fund employer-sponsored liabilities.

Julie has been involved in the AICP since she joined the industry, serving both on committees and in leadership capacities. On a chapter level, she served as the vice president, president, and past president of the New England Chapter, as well as E-Day chair, and E-Day committee member for 14 years. On a national

level, Julie is currently serving as the regional director of the New England Chapter. Julie was on the National Conference Program Committee for 11 years and served as the 2011 National Conference Program Co-Chair. Julie has also served on the Bylaws Committee for the past five years. In the past, she has also served on the GIR and Membership committees.

Julie has a BA in sociology and an MA in criminology from the University of Pennsylvania. She received her JD from the University of Connecticut School of Law and is a member of the Connecticut Bar.

In her spare time, Julie performs in a local women's choir and local community theater. Her upcoming production is "Les Miserables", where she will be proudly portraying, among other things, a prostitute. She also confuses her friends by being an avid PBR (Professional Bull Riding) fan.

Julie's proudest accomplishment is her 24-year-old daughter.

*Rich Fidei*  
*Bylaws Committee Chair*

### Jackie Ward *Government & Industry Relations Committee*



When you talk to Jackie, it's hard to believe she has been in the insurance industry for over 20 years. But, like many of us, she has been able to do a variety of things. Jackie started out in call center management for a legal insurance company, then on to third-party administration for medical and dental claims. Working in a call center and with claims helped her develop listening skills as well as time management and problem solving. She has worked for Wellmark Blue Cross/Blue Shield, ARAG Group, ILona, Wells Fargo, EquiTrust and Aviva.

Then, ten years ago Jackie stumbled into compliance with a simple job title change and found her niche and never looked back. Now she has moved through many related areas such as product filing for credit insurance to operational management in life

and annuity companies, all of which has led to her current job as Chief Compliance Officer of American Equity Investment Life Insurance Company.

That's a wonderful career for someone who grew up in central Iowa and never had to stray too far from where she grew up. She described the area as what used to be a small town just west of Des Moines. Her only real time away from Iowa was when she was an Army Reservist for eight years after graduating from high school. She is now able to raise her daughter in Des Moines.

Jackie and I also have a passion for our dogs, but she took it one step further. She owned a dog day-care and boarding facility for a few years when her dog was having trouble. It was called the Paw Spa. That also led her to study nutrition for animal companions to help nurse her German Shepherd back to health when the dog was a puppy. They said the puppy wouldn't make it past 2, and Jackie just said good-bye to her this past January a couple months shy of her 14th birthday.

Sitting on boards is not new to Jackie. She sat on a board of directors for a credit union back in the 90's while preparing for Y2K and more recently participated in the Greater Des Moines Partnership for a time to help create and maintain diversity awareness in her community. A couple years ago, as the Diversity Council chair for Aviva, she spoke in front of more than 700 people at the Iowa Governor's Conference for LGBTQ youth for anti-bullying, education and awareness.

Jackie joined the AICP just over six years ago and values the connections and relationships she has built with so many other members. The Heartland Chapter was very welcoming, and she quickly realized how important it is not only to have a strong network of peers but also a solid connection to the regulators and other companies' best practices. She feels that the AICP has given her the exact information and tools she needed when she was making the change from the compliance function in a banking, federal loan world back to annuities and state regulation.

Starting out by attending local meetings, she was motivated to get more involved after attending her first Annual Conference. Since that time she has

served on several national committees: Membership, Nominating, GIR and Marketing. In the past two years, she has been an asset to the GIR Committee helping being the liaison with the Marketing and Membership Committees, as well as with the Chapter RD's. One of her key points is to be sure that regulators find value in the AICP. She has also been the Heartland Chapter secretary, then VP, and is currently wrapping up her term as president. She looks forward to continuing her involvement with the AICP and being able to pay it forward.

Jackie's three-and-a-half-year-old daughter does not give her much free time, but that's okay because Jackie enjoys being a mom and seeing the world through her eyes. Plus, she now has a better excuse to see Pixar movies (in the theater), buy toys (like Legos), and play outside all the time (running through the sprinkler in the summer and making snow angels in the winter). Jackie said, "I'm truly blessed and am thankful every day."

*Carol Heard*  
Government and Industry Relations Co-Chair

## Cynthia Burleson

### Publications Committee



Cynthia (Cindi) is the Regulatory, Compliance Manager at Crum & Foster. Even though Cindi has been working in the same building, at the same desk and with the same people for over 10 years, she has only been with her new company since December 1, 2012. Her previous company, American Management Corporation (AMC) was bought out by Crum & Foster. She started with AMC in 2003.

This is where the story of how Cindi ends up in compliance unfolds. All of Cindi's previous insurance experience had been in the agency side of the industry. In November 1992, she learned about insurance by writing "bops" (business owned policies) and moved to handling the large accounts in a Brown & Brown agency in Florida. In 1999, a job move for her husband took them to Arkansas. She was unable to locate a commercial lines position, so she decided to finish her college. She obtained her BS in economics

and finance from Arkansas Tech University and found a position in another Brown & Brown agency in Little Rock. Her commute was 52 miles one way each day. This commute became very tough and tiring, and a friend recommended that she check out AMC, which was only an 18-mile commute.

AMC was a Managing General Underwriter; it had its own rating system and would write and rate through this system. Cindi was interviewed to be the person to organize and set up a compliance department. She was told that she might have to develop an algorithm and was asked if that would be a problem, which she said it would not be. (After the interview, she went home and researched algorithms!) The company made her an offer, and she took it.

A gentleman with whom Cindi worked at AMC advised her to check out a compliance organization called AICP, to assist her in her job. Her first annual conference was in 2005 in Dallas (it was originally planned for New Orleans). She says about AICP, "This is a good find." The AICP has helped her in her role in the company. Since she joined she has been on the Publications Committee as assistant editor and Publications Committee co-chair for two years, and she decided to come back this year as a regional editor.

She is also currently serving the South Central Chapter as its treasurer – and she ran again for another term. She also expanded her AICP experience to serve on the Finance Committee.

Cindi has lived in several places throughout her career. As she was working remotely for AMC, her husband's position took them to south Alabama. Hurricane Katrina made them change their minds, and they decided to move more inland, so a job in Columbia, South Carolina took them there. While there, Cindi received her MBA from the University of South Carolina. In May 2011 they moved back to Arkansas. This brought them back closer to their

family, which is good because Cindi's favorite thing to do away from the office is spoil her three grandchildren (ages 8, 6, and 3). Cindi and her husband, Mickey, are very involved in their church. She speaks often and has taught many classes. Her next favorite thing to do is read. She reads so often that editors have asked her to review books for them! You can't list her favorite things to do without including SEC football and those beloved Gamecocks. Go, Gamecocks!!

*Karen Crooks  
Publications Committee Co-Chair*

### Damon Campbell Northwest Chapter



Damon Campbell joined the AICP last year and attended his first Annual Conference in San Antonio. He was so energized that afterwards he sought out volunteer opportunities in our chapter by serving on the E-Day Committee as well as becoming a member of the Conference Planning Committee as part of the Photography Team. Damon is currently running unopposed for vice president of the Northwest Chapter.

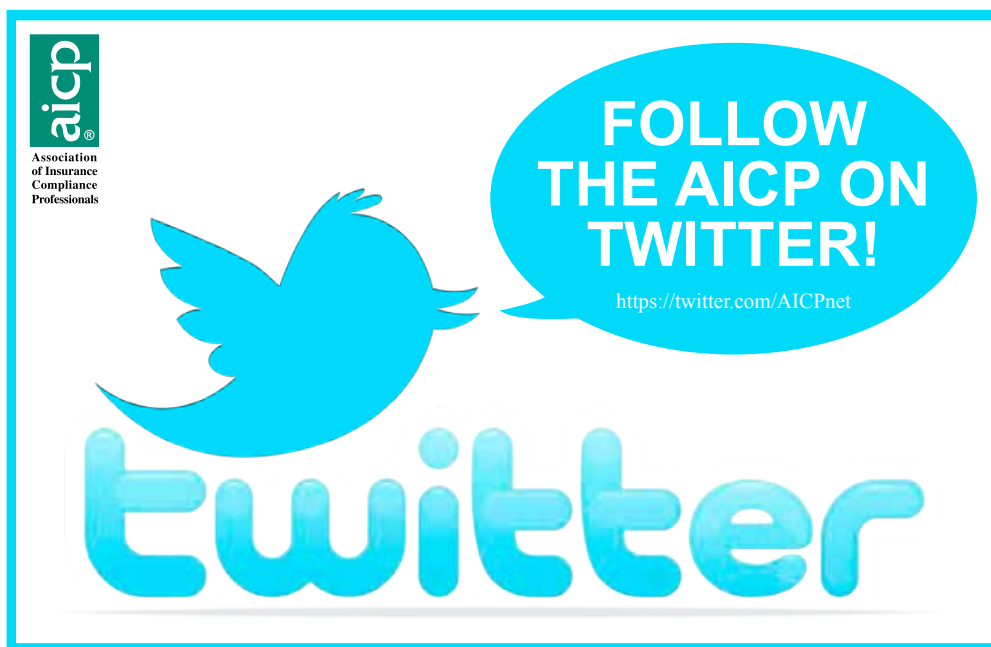
Damon works for Symetra Life Insurance Company as a Compliance Analyst II supporting the Life Division, Agency Services, and the 38a-1 Program. I asked Damon about his first job and what was the most important lesson that he learned from it. He replied, "My first job was as a customer service representative with a long-distance provider. I learned the premise of good customer service and the importance of it. It's something I still have a passion for today. As I moved into management positions with other companies, I learned to always remember where you come from – remember what it is to be a customer service representative and what you would want from your manager. I was introduced to the insurance arena as a training and quality manager with Symetra Life, eventually leading to my current role in compliance." He commented that his favorite part of the job is the many projects that keep him interested, frustrated, and never bored. "I like constantly learning new things – which insurance and compliance readily serve up!"

Originally from a small southern West Virginia town, the son of a coal miner, Damon made his way across the country living in Ohio and Colorado before settling in Washington. In addition to spending time with two kids, he enjoys spending time outside—hiking, mountain biking, and kayaking. He seeks adventure, traveling to Belize last year where he traveled into the jungle with an armed escort. His recent trip to Newfoundland and Nova Scotia had him rafting the highest tides in the world—the Shubenacadie River tidal bore. He is an avid hobby botanist with a large collection of cacti and succulents, including many agaves, a large collection of carnivorous plants as well as orchids. With the collections growing regularly, you may say he has an addiction—his partner says so! Damon is a licensed insurance producer and real estate broker. In addition to the AICP, he is a member of the Securities and Insurance Licensing Association (SILA).

Finally, I asked Damon if he had any advice he would like to share with AICP members who are thinking about volunteering. "Full speed ahead," was his reply. "Although a newbie, I have enjoyed the interaction and am looking forward to more, along with utilizing the many great connections to be made."

I hope you all get a chance to meet Damon at a chapter event or annual conference. Better yet, I hope you get a chance to serve with him as a future volunteer.

*Elaine Douglas  
President, Northwest Chapter*



# Does OFAC have you chasing your tail or do you sit in command?



OFAC and other watch lists change constantly, leaving you running in circles to keep up. Let CSI be your new best friend when it comes to regulatory compliance. With WatchDOG® Elite, we offer an advanced watch list screening solution that simplifies every day operations and regulatory exams. Our feature-rich solution delivers unified search and reporting options, streamlined review and resolve functionality, and master search capabilities, taking the bite out of your OFAC compliance obligations.

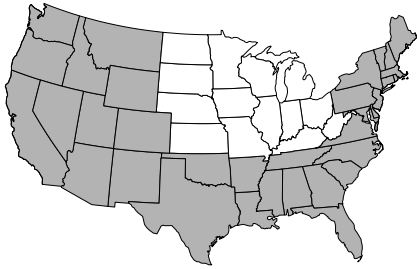
Technology can change behavior—and performance  
—when it comes to watch list screening.

Learn more about CSI's best-of-breed solutions.



Core Bank Processing • Managed Services • Mobile & Internet Solutions  
Payments Processing • Electronic & Print Distribution • Regulatory Compliance

888.494.8449  
[compliance.csiweb.com](http://compliance.csiweb.com)



## Central Region News

**Editor: Joe Wilson**

*Hiscock & Barclay, LLP*

585-295-4460, [JWilson@hblaw.com](mailto:JWilson@hblaw.com)

**Editor: Cynthia Burleson**

*Crum & Forster*

501-450-6803, [cindi.burleson@dfins.com](mailto:cindi.burleson@dfins.com)

**Great Lakes Chapter: Illinois & Wisconsin**

**Heartland Chapter: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota**

**Midwest Chapter: Indiana, Kentucky, Michigan, Ohio, West Virginia**

### IA Adopts ORSA Model Act

Iowa Senate File 189, requiring certain large insurance companies to file a confidential internal assessment known as ORSA (Own Risk and Solvency Assessment) with the Iowa Insurance Division beginning in 2015, has been adopted and is effective January 1, 2015.

To review a copy of the new Section 522, go to the following link and search for SF 189 in Bills Quick Search

<https://www.legis.iowa.gov/index.aspx>

Cynthia Burleson

### IA Adopts NAIC's Credit for Reinsurance Model Law

Effective January 1, 2014 the Iowa Insurance Division has adopted the NAIC Credit for Reinsurance Model Law. This law will reside in Chapter 521B of the Iowa Code.

A copy of the new section may be viewed by clicking on the following link and searching for SF 182 in Bills Quick Search

<https://www.legis.iowa.gov/index.aspx>

Cynthia Burleson

### IA Passes Dram Shop Bill Revision

On June 17, 2003 Iowa Governor Terry Branstad signed the Iowa Insurance Division's omnibus bill, House File 489. The passage of this bill will allow dram shop policies to be written on an aggregate limit basis negating the Alcoholic Beverages Division's desk drawer rule prohibiting dramshops from having policies with aggregate limits.

To review a copy House File 489 and its revisions, go to the following link and search for HF 489 in Bills Quick Search

<https://www.legis.iowa.gov/index.aspx>

Cynthia Burleson



## IL Requires Prompt Filing of Non-Grandfathered Plans

The Illinois Department of Insurance has issued Bulletin 2013-12, which details the department's position on filing health benefit plans – particularly non-grandfathered plans under the Patient Protection and Affordable Care Act. The department has advised that such plans will be reviewed to confirm compliance. Accordingly, plans intended to be sold as of October 1, 2013 must be filed no later than September 1, 2013. Plans will be reviewed as received and late filings may receive delayed approvals.

Further information may be found online at

<http://insurance.illinois.gov/cb/2013/CB2013-12.pdf>

Joseph A. Wilson

## MI Posts Complaint Statistics

On June 27, 2013 the Michigan Department of Insurance and Financial Services published its collected complaint statistics for 2012. The department received 3,184 consumer complaints during 2012, of which 47 percent related to accident and health insurance, 23 percent related to automobile insurance, and 15 percent related to homeowners insurance.

To find the list online, use the link below and search for 2012 complaint statistics.

<http://www.michigan.gov/difs>

Joseph A. Wilson

## MN Updates Child Victims Act Statute of Limitations

Effective May 25, 2013 the Minnesota legislature enacted the Child Victims Act in Section 541.073 of the Minnesota Statutes. The new section requires that if a sexual abuse victim who is at least 18 years old brings a claim, it must be brought within six years of the alleged abuse. However, if the victim is under 18 years old, the victim may bring the claim at any time. There is a caveat. If the victim is suing on the basis of vicarious liability or respondent superior, the claim must be made before the victim is 24 years of age.

The statute may be found online at

<https://www.revisor.mn.gov/bills/bill.php?b=Senate&f=SF0534&ssn=0&y=2013>

Cynthia Burleson

## MN Amends Workers Compensation Law

Minnesota Senate File 1234 amending the Workers Compensation Law Chapter 176 was approved by Governor Mark Dayton on May 16, 2013. The law is effective on October 1, 2013. Amendments to the Workers Compensation Law include:

- Article I: Sections 1 and 2 amend Section 176.011 to provide workers' compensation coverage for post-traumatic stress disorder injuries arising out of one's employment.
- Article II: Section 3 amends Section 176.081 to increase the cap for attorney fees for plaintiff's attorneys from \$13,000 to \$26,000.
- Section 5 amends Section 176.101 to increase the maximum weekly compensation amount from \$850 to 102 percent of the average weekly wage.
- Section 6 amends Section 176.102 to cap job rehabilitation consulting services for injured workers at 20 hours a week for 26 weeks. Currently there is no cap.
- Section 10 amends Section 176.645 to increase the cost of living adjustment from 2 percent to 3 percent. This section also shortens the time frame in which COLA applies from four years to three years after the date of the injury.

Senate File 1234 may be found online at

<https://www.revisor.mn.gov/bills/bill.php?b=Senate&f=SF1234&ssn=0&y=2013>

Cynthia Burleson

## MN Allows Policy Material in Non-English and Electronic Forms

The Minnesota Legislature passed House File 1587, effective August 1, 2013, authorizing an insurer to print insurance policies, endorsements, riders, and any explanatory or advertising material in a language other than English. The other-language document must be accompanied by an English-language translation to validate the validity of the other language version. The English-language version of the document will continue to control the resolution of any disputes or complaints.

As of the same date, Section 60A.139 has been added to specify the conditions under which a company may electronically engage with parties, including, but not limited to, insurance applicants and policyholders.

The bill may be found online at

<https://www.revisor.mn.gov/bills/bill.php?b=House&f=HF1587&ssn=0&y=2013>

Cynthia Burleson

## MN Voids Certain Insurance Contract Provisions

Effective August 1, 2013 Minnesota amended Section 337.05 of the Minnesota Statutes. The amended provision prohibits parties from contracting to provide insurance coverage for other's negligence or intentional acts or omissions.

The new language may be found online at

<https://www.revisor.mn.gov/laws/?id=88&doctype=Chapter&year=2013&type=0#laws.0.1.0>

Cynthia Burleson

## MN Adopts NAIC's Actuarial Opinion Act

Minnesota House File 1221 was signed by Governor Mark Dayton on May 24, 2013 adopting the NAIC's Actuarial Opinion Act. This law became effective on August 1, 2013 with the exception of Sections 60A.1295, 60A.1296 and 60A.62, which are effective on December 31, 2013.

The bill may be found online at

<https://www.revisor.mn.gov/bills/bill.php?b=House&f=HF1221&ssn=0&y=2013>

Cynthia Burleson

## MO Amends Guaranty Association Act

Missouri Senate Bill 59 was approved and signed by Governor Jay Nixon on May 17, 2013 and was effective August 28, 2013. This bill amends the Property and Casualty Insurance Guaranty Association Act by:

- Revising the definition of a "covered claim"
- Increasing the assessment percentage against the association's member insurers from 1 percent to 2 percent of the member's direct written premium
- Increasing the number of board members from seven to nine
- Providing that vacancies to the board of directors of the Missouri Property and Casualty Insurance Association be filled for the remaining period by a majority vote of the remaining board members subject to director approval

A summary of the changes to the Guaranty Association Act may be found online at

<http://www.mo-iga.org/forms/SB59.aspx>

Cynthia Burleson

## MO Adopts NAIC's Revised Credit for Reinsurance Model Law

Missouri House Bill 133, which took effect August 28, 2013, adopts the NAIC's Revised Credit for Reinsurance Model Law. This bill changes the laws regarding the accreditation requirement for reinsurance companies and specifies when an insurance company can take credit or reduce liability due to reinsurance.

The bill may be found online at

<http://www.house.mo.gov/billsummary.aspx?bill=HB133&year=2013&code=R>

Cynthia Burleson

## MO Modifies Workers' Compensation Law

Missouri Senate Bill 1 was approved by Governor Jay Nixon on July 10, 2013, changing the laws regarding the Second Injury Fund and occupational disease within the workers' compensation system. This law authorizes the director of the Division of Workers' Compensation to collect a supplemental surcharge not exceeding 3 percent of a company's workers' compensation premiums to replenish the Second Injury Fund. The surcharge would be in effect from 2014 to 2021. This law becomes effective on January 1, 2014.

The law may be found online at

<http://www.house.mo.gov/billsummary.aspx?year=2013&bill=SB%201>

Cynthia Burleson

## NE Corrects Errors in 2011 WC Court Procedures Bill

Legislative Bill 141 was signed by Nebraska Governor Dave Heineman on May 7, 2013 and is effective three months after the Legislature adjourns. Currently Section 48-180 of the Nebraska Revised Statutes allows a party to move the court to modify its order, while Section 48-162.03(1) prohibits the court from ruling on a motion for reconsideration. Legislative Bill 141 corrects this conflict by removing the prohibition in Section 48-162.03(1).

The bill may be found online at

[http://www.legislature.ne.gov/bills/view\\_bill.php?DocumentID=18610](http://www.legislature.ne.gov/bills/view_bill.php?DocumentID=18610)

Cynthia Burleson

## WI Advises of Requirements for Navigators

The Wisconsin Office of the Commissioner of Insurance has issued a bulletin (dated July 26, 2013) outlining certain requirements for navigators—individuals performing activities related to the navigator program on behalf of the federal exchange. A navigator must meet federal training and education requirements and Wisconsin age, residency, and training requirements.

The bulletin may be found online at

<http://oci.wi.gov/bulletin/0713navigator.htm>

Joseph A. Wilson

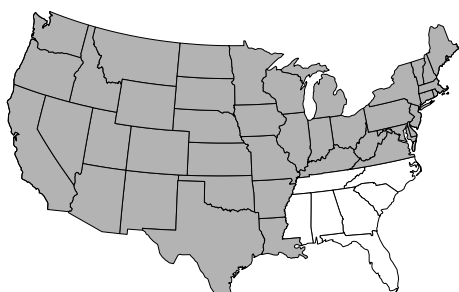
## WI Advises on Small Group Health Deductibles

The Wisconsin Office of the Commissioner of Insurance has issued a bulletin, dated July 2, 2013, detailing the deductibles for small group health plans. In particular, insurers offering small group health insurance plans outside of the Wisconsin's Federally Facilitated Exchange (FFE) will be allowed to increase the deductibles of a small group health plan. According to the Office of the Commissioner of Insurance, this will help ensure that a larger percentage of small employers and their employees will be able to maintain their current health care coverage.

The bulletin may be found online at

<http://oci.wi.gov/bulletin/0713smgrpdeduct.htm>

Joseph A. Wilson



## Gulf States Region News

**Editor: Rich Fidei, Esq.,**  
954-492-4010, [rfidei@cflaw.com](mailto:rfidei@cflaw.com)

**Editor: Anthony C. Roehl,**  
Morris, Manning & Martin LP  
404-495-8477, [aroehl@mmmlaw.com](mailto:aroehl@mmmlaw.com)

**Gulf States Chapter: Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee**

**Puerto Rico (PR)**

### AL Asks for Property Insurance Clarity Act Data

In Bulletin No. 2013-06 issued June 21, 2013, Alabama Insurance Commissioner Jim Ridling asked all insurers subject to specified data submission requirements of the Alabama Property Insurance Clarity Act (No. 2012-373) to voluntarily submit similar data for the years 2004 through 2006 to the Alabama Department of Insurance, in addition to the years mandated by the law—2007 through 2012. The law applies to all admitted insurers authorized to transact homeowners insurance in Alabama.

The bulletin may be found online at

<http://www.aldoi.gov/pdf/legal/2013-06-21-PICAMemo.pdf>.

Other documents relating to the Property Insurance Clarity Act may be found online at

<http://www.aldoi.gov/Companies/ClarityAct.aspx>

Richard J. Fidei

### FL Extends Self-Certification of Certain Personal Lines P&C Forms

Florida Insurance Commissioner Kevin McCarty issued an order on June 24, 2013 effectively extending until December 31, 2013 a process allowing for self-certification of certain personal lines property and casualty insurance forms and exempting those forms from the requirements of Section 627.410, F.S. Similar language to the above was codified into Florida Statutes, effective July 1, 2013 for commercial lines filings (excluding workers' compensation) by SB468, which was enacted by Governor Rick Scott in May 2013.

More information on the order may be found online at <http://www.cftnews.com/index.php?cmd=article&id=9415>.

A summary of Senate Bill 468 may be found online at

<http://www.flsenate.gov/Session/Bill/2013/0468>

Richard J. Fidei



## FL Permits Referral Fee for Wind Mitigation Clients

According to an order issued on July 19, 2013 by the Florida Department of Business and Professional Regulation's Division of Professions in response to questions presented by Don Meyler Inspections Inc., a licensed home inspector or contractor would not be violating Florida law by offering insurers a referral fee for wind mitigation clients. The order further notes that advertisements of Don Meyler's proposed incentive/referral fee program would not be prohibited under Chapter 468, Part XV, F.S.

More information may be found online at

<http://www.cftnews.com/index.php?cmd=article&id=9491>.

Richard J. Fidei

## FL Cabinet Finalizes Various Insurance-Related Rules

The Florida Cabinet met August 6, 2013, during which it finalized the following insurance-related rules:

- Rule 69O-137.001 adopts the 2012 National Association of Insurance Commissioners (NAIC) Annual and Quarterly Statement Instructions Manuals.
- Rule 69O-138.001 adopts the 2013 NAIC Financial Condition Examiners' Handbook, a publication that contains current Generally Accepted Accounting Procedures for insurer financial condition exams.
- Rule 69O-149.022 requires that a "Notice of Estimated Premium Impacts from the Federal Patient Protection and Affordable Care Act (PPACA)" be sent to all individual and small-group nongrandfathered health plans or health maintenance organizations and illustrate the estimated impact of the PPACA on monthly premiums.
- Rule 69O-149.003 will no longer include in its text the maximum annual medical trend tables for Major Medical and Medicare Supplement policies, but will contain a link to the Web site where the tables will be updated.

A recap of the meeting may be found online at

<http://www.cftnews.com/index.php?cmd=article&id=9526>.

Richard J. Fidei

## FL Updates Continuing Education Rule

The Florida Department of Financial Services' Division of Agent and Agency Services advised that amendments to Rules 69B-228.180 and 69B-228.220 took effect on August 4, 2013. Effective October 1, 2014, licensees will be required to complete a five-hour update course every two years specific to the license held. The course will cover insurance law updates, premium discounts, ethics, disciplinary trends, industry trends, and suitability of insurance products. This will affect licensees who began their continuing education cycle on November 1, 2012 and are scheduled to complete the cycle in October 2014. The amendments implement changes made to Section 626.2815, F.S.

The amended rules may be found online at

<http://www.myfloridacfo.com/Division/Agents/Industry/Laws-Rules/documents/69B-228-Adopted.pdf>.

Richard J. Fidei

## FL Sets Rules for Submissions to Citizens Clearinghouse

Effective January 1, 2014 all new and renewal personal residential property insurance in Citizens Property Insurance Corporation (Citizens) must be submitted to the Citizens Clearinghouse to determine whether the policy can be written or renewed by a private insurer within premium eligibility restrictions. If a private offer is found through the Clearinghouse that is 15 percent or less than the Citizens rate, that particular homeowner cannot be insured by Citizens. The enabling legislation excludes commercial residential policies from the Clearinghouse but requires Citizens to develop procedures to divert ineligible commercial residential policies.

For additional information and to access the replay of a related Webcast featuring Citizens and industry representatives, go to

<http://www.cftlawnews.com/index.php?cmd=article&id=9430>.

Richard J. Fidei

## FL Allows Electronic Filing of WC Exemption Election Forms

The Florida Division of Workers' Compensation has advised that statutory revisions to Rule 69L-6.012, Notice of Election to be Exempt, will enable employers seeking exemptions from the coverage requirements found under Chapter 440, F.S. to use an electronic method for submittal of Form DFS-F2-DWC-250 (known as the Notice of Election to be Exempt form).

More information on the rule may be found online at

[https://www.flrules.org/Gateway/View\\_notice.asp?id=12759300](https://www.flrules.org/Gateway/View_notice.asp?id=12759300).

The form may be found online at

<https://www.flrules.org/gateway/reference.asp?No=Ref-02941>

Richard J. Fidei

## GA Implements Electronic Premium Tax Return Filing

On July 8, 2013 the Georgia Office of Insurance and Fire Safety Commissioner issued Directive 13-EX-3, which requires that, beginning on January 1, 2014, admitted insurers to file all quarterly and annual premium tax returns electronically. Insurers may make the filings either by using the PREMIUM Pro tax application available through TriTech Software or logging on to the agency's website and accessing the PREMIUM Pro application (for Georgia premium taxes only). No paper returns will be accepted on or after January 1, 2014. The insurance department is developing an electronic payment system for remittance of the premium taxes.

To view a copy of Directive 13-EX-3, use the following link and click on Directives:

<http://www.oci.ga.gov/>

Tony Roehl

## MS Advises on Risk-Based Capital, Holding Company Laws

Mississippi Insurance Commissioner Mike Chaney advised on May 30, 2013 that compliance with House Bill 34—which amended Mississippi law governing risk-based capital and holding companies—will begin in part on January 1, 2014, with full reporting and compliance as of December 31, 2014. Commissioner Chaney noted that the Enterprise Risk Report and the Risk-Based Capital Report for health organization insurers required by HB 534 will be due by June 1, 2015 for the 2014 reporting period.

HB 534 may be found online at

<http://billstatus.ls.state.ms.us/documents/2013/pdf/HB/0500-0599/HB0534SG.pdf>

The commissioner's bulletin may be found online at

<http://www.mid.ms.gov/bulletins/20136bul.pdf>

Richard J. Fidei

## NC Updates Home Inspector Licensure Board

The North Carolina Home Inspector Licensure Board advised on May 1, 2013 of two revisions to the state's Home Inspector Licensing Act. The revisions are to 11 NCAC 08 .1116, Home Inspector Code of Ethics (effective May 1, 2013), and 11 NCAC 08.1012, Suspension of Authority to Expend Funds (effective April 1, 2013).

To view the complete update, go to the link below, click on Engineering and Codes and then click on Home Inspector Licensure Tools. The revisions are under the Regulations and dated May 1, 2013.

<http://www.ncdoi.com/OSFM/>

Richard J. Fidei

## PR Mandates SERFF for All Filings

The Commonwealth of Puerto Rico, Office of The Commissioner of Insurance issued Circular Letter No.: CC-2013-1833-AP/AV on July 10, 2013. The circular letter reminds insurers that effective July 31, 2013, the use of the SERFF program is mandatory for all filings, including forms, rules, rates, and rate manuals, rate plans and rate certifications. Filings not submitted via SERFF will be returned without being evaluated.

To find the circular letter online, use the following link, click on Legal Affairs, then Circular Letters, then 2013.

<http://www.ocs.gobierno.pr/enocspr>

Brady Smith

## SC Revises Credit Property Insurance Rates

South Carolina Insurance Director Ray Farmer issued Bulletin 2013-05, dated August 1, 2013, directed to insurers writing credit property insurance in South Carolina in conjunction with consumer credit subject to the Consumer Finance Law. The bulletin advised that the South Carolina Department of Insurance will be revising credit property insurance rates due to the finding of persistent low loss ratios relating to transactions pursuant to this law. The final rate or affirmation thereof will be sent to all applicable insurers before October 1, 2013.

The bulletin may be found online at

<http://www.doi.sc.gov/DocumentCenter/View/7019>

Richard J. Fidei

## TN Allows Self-Storage Operators to Sell Tenant Insurance

Tennessee Governor Bill Haslam signed a law to solidify the ability of self-storage operators to sell tenant insurance to customers. Effective July 1, 2013 the new law enables operators with a limited-lines license to offer tenant insurance on a month-to-month or other periodic basis. Operators who offer tenant insurance must disclose to customers that coverage could duplicate policies they may already have. They must also allow customers to cancel enrollment for coverage at any time and receive a refund of any applicable unearned premium. Operators may not require that tenants purchase insurance to rent a unit. Violations carry fines up to \$500 for each offense, with a maximum fine of \$5,000.

The licensing packet may be found online at

<http://tn.gov/insurance/documents/PacketSelfServiceStorageInsurance.pdf>.

The law may be found online at

<http://tn.gov/insurance/documents/PacketSelfServiceStorageInsLEGISLATION.pdf>

Richard J. Fidei

## TN Municipalities Not Subject to Surplus Lines Premium Tax

The Tennessee Department of Commerce and Insurance has determined that municipalities are not subject to the surplus lines premium tax. In an opinion, it said, "Municipalities are impliedly exempt from payment of premium taxes on surplus lines insurance since the taxing statute does not specifically impose the tax on municipalities." The agency's opinion is broad enough to potentially apply to any state property or arms of the state unless the tax specifically mentions the governmental entity.

Procedures for a refund request may be found online at

<http://tn.gov/insurance/documents/ProcedureforaPTRefundRequest.pdf>.

The amended Surplus Lines Statement of Premiums and Tax Payment document may be found online at

<http://www.tn.gov/insurance/documents/SL3Amended.pdf>.

The Surplus Lines Premium Tax Refund Worksheet may be found online at

<http://www.tn.gov/insurance/documents/SurplusLinesTemplateforRefundRequest.xlsx>

Richard J. Fidei



## *Mid-Atlantic Region News*

*Editor L&H, Betty Dabrowski,*  
*McHugh Consulting Resources Inc.*  
215-230-7960, [bdabrowski@mchughconsulting.com](mailto:bdabrowski@mchughconsulting.com)

**Mid-Atlantic Chapter: District of Columbia, Delaware, Maryland, New Jersey, New York City, Pennsylvania, Virginia**

### **DE Provides for Same Sex Marriage**

On May 7, 2013, Delaware Governor Jack A. Markell signed House Bill 75, An act to Amend Title 13 of the Delaware Code Relating to Civil Unions. This act provides for same-gender civil marriage and converts existing civil unions to civil marriages. It became effective on July 1, 2013.

The amended version of Title 13 may be found online at

<http://delcode.delaware.gov/title13/c002/index.shtml>

Betty Dabrowski

### **DE Passes Gender Identity Nondiscrimination Act of 2013**

On June 19, 2013 the Delaware senate passed an Act to Amend Titles 6, 9, 11, 18, 19, 25 and 29 of the Delaware Code related to hate crimes and discrimination. This act, also known as the Gender Identity Nondiscrimination Act of 2013, adds the term gender identity to the already-existing list of prohibited practices of discrimination and hate crimes. As such, this act forbids discrimination against a person on the basis of gender identity in housing, employment, public works contracting, public accommodations, and insurance, and it provides for increased punishment of a person who intentionally selects the victim of a crime because of the victim's gender identity.

The act may be found online at

[http://legis.delaware.gov/LIS/lis147.nsf/vwLegislation/SB+97/\\$file/legis.html](http://legis.delaware.gov/LIS/lis147.nsf/vwLegislation/SB+97/$file/legis.html)

Betty Dabrowski

### **DE Provides for Payment of Emergency Medical Services**

On June 30, 2013 the Delaware Legislature approved An Act to Amend Title 18 of the Delaware Code Relating to Payment for Emergency Medical Services. DE ST T. 18 § 3367 and DE ST T. 18 § 3571a defines volunteer fire company, emergency medical services provider agency, basic life support, and ambulance. In addition, the amendments set out requirements for payments to volunteer fire companies or other certified emergency medical services provider agencies.

The amendments to Title 18 may be found online at

<http://delcode.delaware.gov/sessionlaws/ga147/chp076.shtml>

Betty Dabrowski



## DE Raises Fees for Rate and Form Changes

On July 3, 2013 the Delaware Legislature amended ST T. 18 § 701 of the Delaware Code relating to insurance fees. Delaware raised the fees for rate changes or deviations (item 21 on the fee schedule) and form, advertising and/or rule filings (item 34 on the fee schedule) to \$100.

The amendments to Title 18 may be found online at

<http://delcode.delaware.gov/title18/c007/index.shtml#701>

Betty Dabrowski

## DE Updates the Delaware Code to Comply with PPACA

On July 15, 2013, the Delaware Legislature amended Title 18 of the Delaware Code relating to health insurance contracts. This bill is designed to bring the health insurance provisions of the Delaware Insurance Code in to compliance with the Patient Protection and Affordable Care Act (PPACA). Key provisions are listed below.

- The following sections were amended to reflect that dependents be covered up until the age of 16: 1, 2, 3, 6, 7, 10 and 14 (in part).
- Sections 5, 9, 11 and 15 were amended to reflect the requirement that coverage not be denied due to preexisting conditions.
- Section 4 adds a new provision for individual health insurance policies that prohibits insurance companies from imposing lifetime and annual limits on essential health benefits policies that have policy years beginning prior to January 1, 2014 and sets the minimum limits insurance companies may impose for essential health benefits.
- Section 8 adds several new provisions to Chapter 35 of the Delaware Insurance Code relating to group and blanket health insurance policies.
- Section 12 deletes the current provision in the Delaware Insurance Code regarding limited guarantee issue of insurance policies and adds a new provision relating to individual health insurance policies that requires guaranteed availability of coverage and sets forth the enrollment period and network plan requirements.
- Section 13 adds several new provisions to Chapter 36 of the Delaware Insurance Code relating to individual health insurance policies, specifically including provisions that: (i) prohibit excessive waiting periods; (ii) prohibit discrimination against health care providers; (iii) require health insurance companies to ensure that (A) coverage offered covers all essential health benefits, (B) annual cost-sharing provisions do not exceed the limitations imposed by PPACA and (C) the health insurance companies offer child-only plans; (iv) prohibit discrimination against participants and beneficiaries based on health status; and (v) discuss the certification requirements for participation in the State health exchange program.
- Section 16 of this bill relates to the Mini-COBRA small employer group health policies provision, 28 Del. Laws, c. 246 (the "Mini-COBRA Bill").

The amendments to title 18 may be found online at

<http://legis.delaware.gov/lis/lis147.nsf/vwlegislation/285A72B710E14DD685257B6D007B9D8B>

Betty Dabrowski

## DC Provides Guidance on Essential Health Benefits

Revised May 10, 2013, the District of Columbia's Essential Health Benefits Notice for Carriers advises insurers of requirements for the Patient Protection and Affordable Care Act regarding non-grandfathered individual and small group health insurance plans and essential health benefits. The notice provides an attachment that identifies required benefits and advises that these benefits must be specifically addressed in all non-grandfathered individual and small group health plans on or after January 1, 2014.

The notice may be found online at

<http://disb.dc.gov/node/469162>

Betty Dabrowski

## MD Provides Guidance on Health Benefit Plans

On July 3, 2013 the Maryland Insurance Administration issued Bulletin 13-21 providing guidance to health carriers regarding renewal of grandfathered and non-grandfathered health benefit plans after December 31, 2013. The bulletin sets out requirements for health insurers that offer health benefit plans to small employers, addresses process for applying for an exemption, and explains requirements of the Patient Protection and Affordable Care Act in regard to guaranteed availability and non-renewal of non-grandfathered health benefit plans.

Bulletin 13-21 may be found online at

<http://www.mdinsurance.state.md.us/sa/news-center/life--health-bulletins-current-2006.html>

Betty Dabrowski

## MD Advises for Separate Fund for Abortion Services

On July 31, 2013 the Maryland Insurance Administration issued Bulletin 13-24, which explains the federal law that requires health plans that are sold on Maryland's Exchange to separate premium payments for non-excepted abortion services. The bulletin explains how the commissioner will implement the federal requirements and explains insurer requirements for a segregation plan and an annual assurance statement. In addition, it explains that certain information must also be filed with the Annual Statement and addresses the notice required to be provided to enrollees.

Bulletin 13-24 may be found online at

<http://www.mdinsurance.state.md.us/sa/news-center/life--health-bulletins-current-2006text.html>

Betty Dabrowski

## **NJ Issues Notice of Application for Certified Reinsurers**

Effective May 30, 2013 New Jersey Bulletin No. 13-13 announced that the Department of Banking and Insurance was not aware of the NAIC requirement to post an application for approval as a certified reinsurer on its website and allow public notice for 30 days. The bulletin notifies insurers that the department will post the notice of an application on its website and provide 30 days for responses. The department intends to amend NJ ADC 11:2-28 in the future to codify this procedure.

NJ Bulletin No. 13-13 may be found online at

[http://www.state.nj.us/dobi/bulletins/blt13\\_13.pdf](http://www.state.nj.us/dobi/bulletins/blt13_13.pdf)

Betty Dabrowski

## **NJ Clarifies Differences Between PPACA and State Rating Rules**

Effective July 15, 2013 New Jersey Bulletin 13-14 identifies the differences between the federal PPACA and current individual and small employer rating rules in New Jersey. The bulletin addresses rate bands, maximum ratios, rate tiers, rating factors, medical loss ratio calculations, and lifetime limits. In addition, it provides directives for the interim before regulations that comply with the PPACA are promulgated and applies the directives to non-grandfathered plans.

NJ Bulletin No. 13-14 may be found online at

[http://www.state.nj.us/dobi/bulletins/blt13\\_14.pdf](http://www.state.nj.us/dobi/bulletins/blt13_14.pdf)

Betty Dabrowski

## **PA Sets Market Conduct Examination Fees**

On June 15, 2013 the Pennsylvania Insurance Department released PA Notice 2013-05, which provides the yearly update to per diem charges for market conduct examinations. The new charges were effective July 1, 2013.

PA Notice 2013-05 may be found online at

<http://www.pabulletin.com/secure/data/vol43/43-24/1102.html>

Betty Dabrowski

## **PA Releases Notice regarding Financial Examination Fees**

On June 15, 2013 the Pennsylvania Insurance Department released PA Notice 2013-06, which provides the annual list of per diem charges associated with financial examinations. The new charges were effective July 1, 2013.

PA Notice 2013-06 may be found online at

<http://www.pabulletin.com/secure/data/vol43/43-24/1101.html>

Betty Dabrowski

## VA Summarizes 2013 Insurance Legislation

On May 20, 2013 the Virginia Bureau of Insurance issued Administrative Letter 2013-05, which provides summaries of certain statutes enacted or amended and re-enacted during the 2013 session of the Virginia General Assembly.

Administrative Letter 2013-05 may be found online at

<http://www.scc.virginia.gov/boi/adminlets/13-05.pdf>

Betty Dabrowski



### WESTMONT ASSOCIATES, INC.

*The Professional Insurance Consultants  
Our Knowledge and Experience... Your Advantage*

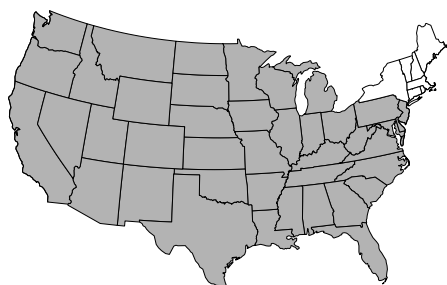
An industry leader servicing the world's large insurers as well as regional insurers,  
Westmont performs the following professional services:

- Complete state filing services for all product lines in all states;
- Company Licensing;
- Redomestications and name changes;
- Contract drafting for new or revised products;
- Agent and agency licensing;
- Claims audits – reinsurance and direct;
- Legislative/Regulatory analysis and review – both federal and state;
- Compliance audits and reviews; and
- RPG formations and registrations.

Our expertise and experience provide clients with unparalleled guidance and analysis.

For more information contact: [nancy@westmontlaw.com](mailto:nancy@westmontlaw.com)

Telephone: (856) 216-0220 • [www.westmontlaw.com](http://www.westmontlaw.com) • Fax: (856) 216-0303



## Northeast Region News

*Editor: Marlyse Tritt,*  
New York Life Insurance Company,  
512-344-5912, [mtritt@newyorklifeltc.com](mailto:mtritt@newyorklifeltc.com)

**New England Chapter: Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont**

### CT Establishes Disaster Procedures for Insurers

The Connecticut Insurance Department has issued Bulletin IC-33 in order to establish insurance claim processing procedures in the event of a weather-related or disaster state of emergency. The department advises all insurers to act promptly and in good faith when responding to weather-related claims and allow coverage to continue for all consumers unable to meet premium payments while adversely affected by current conditions. Insurers are encouraged to work with all affected policyholders to most readily resolve payment of premiums based on the circumstance.

Bulletin IC-33 may be found online at

[http://www.ct.gov/cid/lib/cid/Bulletin\\_IC-33\\_June\\_2013.pdf](http://www.ct.gov/cid/lib/cid/Bulletin_IC-33_June_2013.pdf)

Marlyse Tritt

### NH Withdraws Bulletin Regarding DOMA Language

New Hampshire Insurance Commissioner Roger Sevigny announced in Bulletin INS No. 13-021-AB that due to the Supreme Court ruling in *United States vs Windsor*, Bulletin INS No. 10-004-AB is now withdrawn, and insurers are no longer required to provide the disclosure information about DOMA.

Bulletin INS No. 13-021-AB may be found online at

<http://www.nh.gov/insurance/media/bulletins/2013/index.htm>

Karen Crooks

### NY Withdraws DOMA Letter

As a result of the Supreme Court ruling that struck down section 3 of the Defense of Marriage Act, the New York Department of Financial Services (DFS) has withdrawn Supplement No. 1 to Circular Letter No. 27, which required insurers to notify consumers that the preferential tax treatment given to opposite-sex spouses for certain insurance products does not apply to same-sex spouses. The DFS has issued new guidance for insurers, which discontinues the use of the letter and modifies default distribution options to be the same for same-sex or opposite-sex spouses.

More information may be found online at

[http://www.dfs.ny.gov/insurance/life/guidance/p\\_guide\\_withdrawal\\_s1cl27-2008\\_08022013.htm](http://www.dfs.ny.gov/insurance/life/guidance/p_guide_withdrawal_s1cl27-2008_08022013.htm)

Marlyse Tritt



## NY Reminds of Requirements for Early Intervention Program

New York Health Commissioner Dr. Nirav Shah issued a letter to all health plan CEOs to remind them of the new requirements in health plans with respect for services provided to enrolled families with disabled children participating in the early intervention program (EIP). The purpose of the letter was to remind health plans of these requirements in order to assure timely payment for EIP providers.

The letter may be found online at

[http://www.dfs.ny.gov/insurance/health/EIP\\_DOH\\_CEO\\_letter.pdf](http://www.dfs.ny.gov/insurance/health/EIP_DOH_CEO_letter.pdf)

Karen Crooks

## RI Prohibits Discretionary Clauses

Rhode Island House Bill 5530, effective June 17, 2013, makes discretionary clauses in life insurance, annuity, long-term care insurance and disability insurance policies void and unenforceable. See the new section 28 in Chapter 27-4; Section 79 in Chapter 27-18; and Section 22 in Chapter 27-34.2.

Chapter 27-4 may be found online at

<http://webserver.rilin.state.ri.us/Statutes/TITLE27/27-4/INDEX.HTM>

Chapter 27-18 may be found online at

<http://webserver.rilin.state.ri.us/Statutes/TITLE27/27-18/INDEX.HTM>

Chapter 27-34.2 may be found online at

<http://webserver.rilin.state.ri.us/Statutes/TITLE27/27-34.2/INDEX.HTM>

Karen Crooks

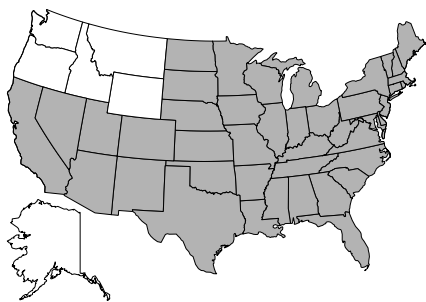
## VT Prohibits Insurance Discrimination against Same-Sex Spouses

The Vermont Department of Financial Regulation issued Bulletin 177, effective July 1, 2013, forbidding insurers offering health insurance coverage to residents who work for an employer domiciled outside of Vermont from distinguishing marriage, both same-sex and opposite-sex, and civil unions in a way that conflicts with Vermont law. Marriage is defined as “the legally recognized union of two people” under Vermont law, irrelevant of the gender of the two people.

Bulletin 177 may be found online at

[http://www.dfr.vermont.gov/sites/default/files/Bulletin\\_177.pdf](http://www.dfr.vermont.gov/sites/default/files/Bulletin_177.pdf)

Marlyse Tritt



## Northwest Region News

**Editor: Doug Geraci, CPCU, ACP,**  
Symetra

425-256-6335 [doug.geraci@symetra.com](mailto:doug.geraci@symetra.com)

**Co-Editor: Jan Vitus, CIC, MHP, HIA, CRM, ACP, CCP,**  
Oregon Insurance Division  
503-947-7278, [Jan.vitus@state.or.us](mailto:Jan.vitus@state.or.us)

**Northwest Chapter: Alaska, Idaho, Montana, Oregon, Washington, Wyoming**

### AK Amends Insurance Producer Licensing Laws

In Bulletin B 13-07, the Alaska Department of Insurance summarizes recent legislative changes made to insurance producer licensing laws and provides guidance for those licensees who use the National Insurance Producer Registry (NIPR) to obtain, renew and amend their license.

The department clarifies licensing requirements for travel insurance and portable electronics insurance.

Bulletin B 13-07 may be found online at

<http://www.dced.state.ak.us/ins/Insurance/programs/Consumers/Bulletins/2013/B13-07.pdf>

Doug Geraci

### ID Continues to Develop SHOP

Idaho is busy reviewing the policy forms, rules, and rating plans for its Health Insurance Exchange called SHOP. Q&A can be found on the Department's web site and this information is updated every 60 days. Idaho anticipates being operational in time for the October 1, 2013 open enrollment launch date.

The website may be found at

<http://www.doi.idaho.gov>

Jan Vitus

## ID Posts 2013 Legislative Summary

The Idaho Department of Insurance has posted details on a myriad of new bills affecting insurance in Idaho. Following are brief summaries only and not intended to replace a thorough analysis of each bill and its impact.

Insurance legislation includes:

- (1) House Bill 046 (Title 39, Chapter 19) - Repeals antiquated fire protection-related laws.
- (2) House Bill 197 (Title 41, Chapter 38) - Related to Insurance Holding Company Systems.  
Provides for more detailed monitoring for system risk issues that might exist in non- insurance affiliates of an insurance company and could ultimately jeopardize the solvency of the insurer. This law will also be required for accreditation of the Idaho Department of Insurance by the NAIC.
- (3) House Bill 011 (Section 41-2507) – Casualty Insurance. Allows automobile insurance companies operating in Idaho to non-renew policies of automobile insurance when an automobile insured under the policy is registered in a state other than Idaho.
- (4) House Bill 196 (Title 41, Chapters 36 and 43) – Amends existing law to revise provisions relating to the timing of permitted Idaho premium tax offsets by member insurers and to provide for an offset against premium tax liability to the Industrial Administration Fund for an insurer that is exempt from the premium tax.
- (5) House Bill 199 (Title 41, Chapter 40) – Self-Funded Health Plans, Postsecondary Schools, and Updates. Amends existing law to provide that certain qualified public or private postsecondary educational institutions may, as a plan sponsor, establish a self-funded student health benefit plan and trust for student and dependent beneficiaries; and revises provisions related to the registration of self-funded plans.
- (6) House Bill 217 (Section 49-1212) – Specifies that if a vehicle loaned for temporary use without charge is operated in a negligent manner, and such operation results in death or damages, the primary liability coverage for such event shall be the insurance coverage of the operator. The owner's coverage shall be secondary.
- (7) House Bill 232 (Section 41-1851) – Allows electronic delivery of insurance-related documents to an insured when the insured has affirmatively consented to such delivery.
- (8) Senate Bill 1109 (Section 41-1836) – Annuity Contracts. Modifies the statute applicable to a person's deferred annuity contract exemption from creditors of the cash surrender value.
- (9) Senate Bill 1165 (Section 41-1839) – Relates to insurers' liability for attorney fees. Provides first-party insurers up to 60 days to make claim payment decisions on Uninsured Motorist and Underinsured Motorist claims.

These bills and further information may be found online at

[www.doi.idaho.gov/legislation/2013legislation.aspx](http://www.doi.idaho.gov/legislation/2013legislation.aspx)

Jan Vitus

## MT Bars Certain Early Renewal Activities

The Montana commissioner of securities and insurance issued an advisory memorandum to advise insurers of early renewal activities that are prohibited in the individual and small group markets. The memorandum was issued in response to insurers attempting to delay certain provisions that go into effect on January 1, 2014 as a result of the Affordable Care Act.

The memorandum and additional information may be found online at

<http://www.sao.mt.gov/news/bulletins/EarlyRenewal.pdf>

Doug Geraci

## OR Welcomes new Insurance Commissioner

Laura Cali was promoted from product regulation manager to Oregon insurance commissioner effective July 15, 2013. She had also been the senior actuary. Cali succeeded Lou Savage, who resigned to work on legal reform in emerging democracies overseas.

A news release about Cali's appointment to succeed Savage may be found online at

[http://www.cbs.state.or.us/external/ins/news\\_releases/2013/060413-commissionerchange.pdf](http://www.cbs.state.or.us/external/ins/news_releases/2013/060413-commissionerchange.pdf)

Jan Vitus

## OR posts 2014 Health Insurance Premiums

Twelve insurance companies and two health co-ops have applied to write individual and/or small employer health insurance in the exchange, Cover Oregon, when it begins accepting applications in October 2013. The coverage will be effective January 1, 2014. The Cover Oregon advertising campaign includes television and print-media.

Information on the approved health rates may be found online at

[www.oregonhealthrates.org](http://www.oregonhealthrates.org)

Jan Vitus

## OR Broadens Definition of Obligor

Effective January 1, 2014 obligors of service contracts and warrantors who offer vehicle protection warranties will be able to write more business in Oregon. Senate Bill 577 adds products and services that can be included in a vehicle service contract, such as repair or replacement of tires or wheels as a result of road hazards and replacement of keys or key fobs necessary for vehicle operation. The measure also expands the definition of vehicle protection product to include devices, products, or substances designed to prevent loss or damage to a vehicle for specific cause. The Insurance Division is updating its product standards checklists and filing requirements for these products, and expects to have the information posted to SERFF and its website before October.

Jan Vitus, CIC

## OR Posts Legislative Summary of 2013 Bills

Following are examples of the insurance-related bills passed in the 2013 legislative session in Oregon.

- If stopped by police, drivers can show proof of car insurance electronically (HB 2107).
- Health insurers must cover applied behavior analysis therapy for autism, starting in 2016 (SB 365).
- Insurance regulators can now require companies to pay restitution (SB 414).
- Parents or guardians can freeze a minor or protected person's credit report (SB 574).
- Health Insurance cancellation and non-renewal notices must be sent by regular mail unless the member opts for email communication (SB 166).
- Self-service storage facilities to obtain a limited license from DCBS to sell personal property insurance covering an occupant's individual storage space (HB 2845). Certain disclosures must be provided to an occupant at the time of sale, including the fact that occupants may already have coverage through other property insurance.

A legislative recap may be found online at

<http://www.oregoninsurance.org/orleg.html>

Jan Vitus

## WA Requires Prompt Payment of Long-term Care Benefits

Washington Senate Bill 5216, effective July 28, 2013, requires that all long-term care denials must be made within 30 days after receipt of a written request by a policyholder or certificate holder, or his or her representative. Before July 28, denials must have been made within 60 days. This bill strengthens consumer protection.

Senate Bill 5216 may be found online at

<http://apps.leg.wa.gov/documents/billdocs/2013-14/Pdf/Bills/Session%20Laws/Senate/5216.SL.pdf>

Doug Geraci

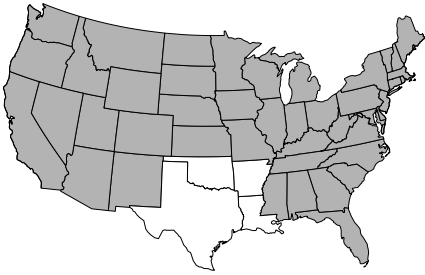
## WY Proposes Changes to Suitability in Life Insurance and Annuity Transactions

The Wyoming Department of Insurance has proposed changes to the regulation governing suitability in life insurance and annuity transactions. The proposal includes life insurance, which is a variation from the NAIC Model Regulation. The department created a webpage to help those interested in this issue keep abreast of developments.

The webpage and the proposed change may be found online at

<https://sites.google.com/a/wyo.gov/doi/legal>

Doug Geraci



## South Central Region News

*Editor: Lori A. Chambers, AIRC,  
State National Companies*

800-877-4567 x 1224, [lchambers@statenational.com](mailto:lchambers@statenational.com)

### South Central Chapter: Arkansas, Louisiana, Oklahoma, Texas

#### AR Bars Depreciation of Labor

The Arkansas Insurance Department clarified its position on the depreciation of labor in Bulletin 13A-2013, issued July 18, 2013. The bulletin says that when an insurance claim is filed for structural loss, labor of any kind related to the repair, rebuilding, or replacement of covered property cannot be depreciated. The bulletin also said the department considers depreciation to be improper if it is based on a calculation formula set in advance.

Bulletin 13A-2013 may be found online at

<http://www.insurance.arkansas.gov/Legal/Bulletins/13A-2013.pdf>

Darrell Turner, ACP, AIS, ARC

#### AR Provides Guidance on Conversion of Policies to Conform to ACA

On August 28, 2013, the Arkansas Insurance Department issued Bulletin 18A-2013 providing guidance to health insurers, HMOs, and hospital medical service corporations related to the transitioning of non-grandfathered health insurance policies, issued as conversion policies under Ark. Code Ann. 23-85-115, to conform to the requirements of the Patient Protection and Affordable Care Act (ACA). Bulletin 18A-2013 replaces Bulletin 18-2013.

The new bulletin may be found online at

<http://www.insurance.arkansas.gov/Legal%20Dataservices/PCBulletinYR.htm>

Stacy Adams

#### AR Reminds Insurers of Deadline for Form, Rate Filing Approval

On August 9, 2013, the Arkansas Insurance Department issued Bulletin 17-2013 advising insurance companies and Health Maintenance Organizations offering individual policies or contracts exclusively off the Health Insurance Marketplace that they must file their forms and rates. Forms and rates must be approved by the department no later than September 30, 2013 to be used during open enrollment and special enrollment periods provided by the Affordable Care Act.

The bulletin may be found online at

<http://www.insurance.arkansas.gov/Legal%20Dataservices/PCBulletinYR.htm>

Stacy Adams



## AR Increases Limits for Accident and Health Benefits

On August 21, 2013, the Arkansas Insurance Department issued Bulletin 16-2013 to provide the form notice requirements for life and accident and health insurers issuing policies subject to the Arkansas Life and Health Insurance Guaranty Association Act. The act raised the coverage liability limit of the Arkansas Life and Health Insurance Guaranty Association for accident and health insurance benefits from \$300,000 to \$500,000 for policies subject to the Guaranty Association Act.

The provisions of Act 456 go into effect August 16, 2013.

The bulletin may be found online at

<http://www.insurance.arkansas.gov/Legal%20Dataservices/PCBulletinYR.htm>

Stacy Adams

## LA Increases Continuing Education Credit Hours

Louisiana Senate Bill 53 requires 12 hours of approved instruction for title insurance producers, beginning with license renewals effective in 2015. Previously it was six hours. It also requires two hours of the CE to be dedicated to state and federal consumer finance protection laws.

Senate Bill 53 may be found online at

<http://www.legis.la.gov/Legis/ViewDocument.aspx?d=848924>

Karen Crooks

## LA Creates New Fraud Unit

Louisiana Senate Bill 180, which Governor Bobby Jindal signed June 10, 2013, creates a division of insurance fraud unit within LDI for the investigation and prevention of administrative or civil violations of insurance laws. It also authorizes commissioned LDI fraud investigators to carry firearms after Peace Officer Standards and Training (P.O.S.T.) and certification. This is effective Aug. 1, 2013.

Senate Bill 180 may be found online at

<http://www.legis.la.gov/Legis/ViewDocument.aspx?d=857234>

Karen Crooks

## LA Eliminates Affidavit Rule for Some Personal Lines Policy Placements

On July 3, 2013, the Louisiana Department of Insurance issued Bulletin 2013-06, directed to property and casualty producers and surplus lines brokers. The bulletin said that amendments to La. R.S. 22:438 caused by Acts 2013 No. 203 have eliminated the requirement that any licensed surplus lines broker that procured a personal lines policy must obtain an affidavit from the submitting producer or broker attesting to the diligent efforts to place the insurance coverage with admitted insurers and replaced it with a new requirement. Under the new requirement, the producer or broker provides certain notices to the applicant for personal lines insurance coverage in the surplus lines market. The applicant is required to execute an acknowledgement, which is a standardized form promulgated by the commissioner of insurance, no later than the date of binding. A copy of the acknowledgement form, Form 438, is attached to the bulletin.

For a copy of the bulletin, use the link below and scroll down to Bulletin 2013-06.

<http://www.lidi.state.la.us/Docs/documentsearch.asp>

Stacy Adams

## LA Provides Instructions on Discontinuing Products Not Complying with ACA

In Directive 205, the Louisiana Department of Insurance instructed all health insurance issuers and health maintenance organizations on the process issuers should use for health insurance products that will be discontinued pursuant to R.S. 22:1068 and 1074. The department issued the directive on August 15, 2013, because it anticipates that many insurers will be simultaneously discontinuing multiple health insurance products that do not comply with the Affordable Care Act (ACA). Directive 205 is intended to modify the process of product discontinuation established under Directive 147 (issued on January 26, 2001, and revised on May 1, 2002). It also instructs issuers to submit complete rate filings if they have not done so and to report certain data to the Department by November 1, 2013.

For a copy of the bulletin, use the link below and scroll down to Directive 205.

<http://www.lidi.state.la.us/Docs/documentsearch.asp>

Stacy Adams

## OK Reminds Producers of Activities that Solicit Business

Oklahoma Insurance Bulletin 2013-09, dated August 15, 2013, is to assist producers and non-producers in determining which activities require a producer license and which activities are considered clerical in nature. The bulletin's non-comprehensive list provides an outline and examples of several routine activities.

Bulletin 2013-09 may be found online at

[https://www.ok.gov/oid/documents/081513\\_Producer%20Licensing%20Bulletin%202013-09.pdf](https://www.ok.gov/oid/documents/081513_Producer%20Licensing%20Bulletin%202013-09.pdf)

Karen Crooks

## OK Extends Time Period to Renew Insurance

Oklahoma Insurance Bulletin No. PC 2013-08 from OK Commissioner John Doak amends section OAC 365:15-1-14, Notice of Cancellation or Nonrenewal. Section (b) is now amended so that insurers shall give at least 30 days notice prior to the date of non-renewal of a homeowner's insurance policy or any other personal residential insurance coverage. This amendment extends the time period from 20 days to 30 days.

Bulletin PC 2013-08 may be found online at

[https://www.ok.gov/oid/documents/070313\\_Notice%20of%20Nonrenewal.pdf](https://www.ok.gov/oid/documents/070313_Notice%20of%20Nonrenewal.pdf)

Karen Crooks

## TX Amends Rules Manual

Texas Insurance Commissioner Julia Rathgeber issued Order No. 2691, dated August 7, 2013, adopting amendments to Rule III E (Policy Preparation), Rule VII B (Premium Discount), and Appendix A (Procedures), and adding Rule VI M (Modeled Rating Factor) to the Texas Basic Manual of Rules, Classifications and Experience Rating Plan for Workers' Compensation and Employers' Liability Insurance. The amendments allow insurance carriers to file and use modeled rating factors to calculate their premiums.

Order No. 2691 may be found online at

[http://www.tdi.texas.gov/bulletins/2013/documents/2691\\_-\\_Adoption.pdf](http://www.tdi.texas.gov/bulletins/2013/documents/2691_-_Adoption.pdf)

Karen Crooks

## TX Orders Rates for Texas Automobile Insurance Plan Association

Texas Insurance Commissioner Julia Rathgeber issued Order No. 2670 on July 26, 2013. The order addresses changes in the rates for private passenger and commercial automobile insurance provided through the Texas Automobile Insurance Plan Association (TAIPA), which is the state's assigned risk plan. The changes are effective October 1, 2013.

Order 2670 may be found online at

[http://www.tdi.texas.gov/bulletins/2013/documents/2670\\_TAIPA\\_Rate.pdf](http://www.tdi.texas.gov/bulletins/2013/documents/2670_TAIPA_Rate.pdf)

Karen Crooks

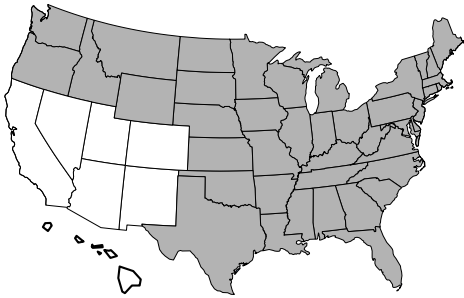
## TX Issues Call for Medicare Supplement Insurance Rate Guide

On August 8, 2013, the Texas Department of Insurance issued Bulletin B-0019-13 requesting rate information for the Texas Medicare Supplement Handbook and Rate Guide. The TDI is revising the Rate Guide for all Medicare Supplement and Medicare Select plans and requested that premium information be submitted by September 9, 2013.

Bulletin B-0019-13 may be found online at

<http://www.tdi.texas.gov/bulletins/2013/cc19.html>

Stacy Adams



## Southwest Region News

*Editor: Lana Begunova,  
Perr & Knight*

310-230-9339 x151, [sbegunova@perrknight.com](mailto:sbegunova@perrknight.com)

**Western Chapter: Arizona, California, Colorado, Hawaii, Nevada, New Mexico, Utah**

### CA Works on ACA Implementation

The California Insurance Department is one step closer to realizing the promise of healthcare reform to make insurance accessible to the uninsured and underinsured. When fully operational, Covered California will provide consumers with the ability to compare products and prices and verify eligibility for federal premium subsidies for consumers who qualify.

The press release may be found online at

<http://www.insurance.ca.gov/0400-news/0100-press-releases/2013/release043-13.cfm>

Lana Begunova, ACP, AIS

### CA Requires Coverage of Essential Health Benefits

California Insurance Commissioner Dave Jones announced the approval of an emergency regulation filed by the Insurance Department with the Office of Administrative Law requiring health insurers to cover all essential health benefits for new policies in effect after January 1, 2014. The Affordable Care Act requires non-grandfathered health insurance policies offered in the individual and small group markets (both inside and outside of the Health Benefits Exchange) to provide coverage for a comprehensive package of healthcare benefits, known as essential health benefits. The emergency regulation is a critical element of Affordable Care Act implementation.

The press release may be found online at

<http://www.insurance.ca.gov/0400-news/0100-press-releases/2013/release049-13.cfm>

Lana Begunova, ACP, AIS

### CA Announces Equal Marriage Rights

California Insurance Commissioner Dave Jones praised the Supreme Court's decisions that affirmed equal rights under the U.S. Constitution. Supreme Court rulings bring equal treatment under the law for Californians and those who live in other states that have marriage equality laws. Gay and lesbian couples will no longer be denied the protections of federal tax laws or Social Security when they do.

The press release may be found online at

<http://www.insurance.ca.gov/0400-news/0100-press-releases/2013/statement051-13.cfm>

Lana Begunova, ACP, AIS

## CA Expands Medi-Cal Eligibility

California Insurance Commissioner Dave Jones applauded Governor Jerry Brown's signing of Assembly Bill 1 and Senate Bill 1. Commissioner Jones supported these bills throughout the legislative process. Both bills strengthen implementation of the Affordable Care Act in California by enabling the use of federal funds to expand Medi-Cal eligibility, resulting in more uninsured Californians qualifying for coverage.

The press release may be found online at

<http://www.insurance.ca.gov/0400-news/0100-press-releases/2013/release052-13.cfm>

Lana Begunova, ACP, AIS

## CA Reaches Settlement with Zurich American Insurance Company

The California Insurance Department has announced a settlement in a dispute with Zurich American Insurance Company. In 2012, the department asserted that Zurich had failed to file workers' compensation large deductible agreement forms with the department as required by the California Insurance Code. Zurich had never filed its large deductible agreements for review even after the department advised all insurers in 2011 that filing was required. Zurich's agreements were generally offered on a take it or leave it basis to employers. The agreements also required that New York law apply to disputes and that disputes be resolved in Chicago, regardless of whether the employer's business was based entirely in California.

Insurance Commissioner Dave Jones said the settlement "gives California employers the opportunity to level the playing field by arbitrating disputes in California, under California law."

A news release about the agreement may be found online at

<http://www.insurance.ca.gov/0400-news/0100-press-releases/2013/release056-13.cfm>

Lana Begunova, ACP, AIS

## CA Expands Climate Change Survey

California Insurance Commissioner Dave Jones announced that the Connecticut and Minnesota Departments of Insurance have joined with the California, New York, and Washington Departments of Insurance to require insurers to respond to the Climate Risk Survey adopted in 2009 by the National Association of Insurance Commissioners (NAIC). Despite NAIC approval in 2009, the remaining 45 states have declined to administer the survey. Jones also announced expansion of the survey scope by requiring all companies writing more than \$100 million in direct written premium to respond to the climate change survey, effectively doubling the number of companies surveyed.

A news release may be found online at

<http://www.insurance.ca.gov/0400-news/0100-press-releases/release057-13.cfm>

Lana Begunova, ACP, AIS

## CA Releases Diverse Suppliers Survey

California Insurance Commissioner Dave Jones announced the results of a first-in-the-nation survey of supplier diversity in the insurance industry. The reports of California's largest 206 insurance companies have been posted on the Department of Insurance website. The reports reflect that a majority of insurers are taking steps to increase efforts around supplier diversity. According to the most recent statistics from the Minority Business Development Agency, one-fifth of the nation's minority-owned businesses are located in California. According to a study commissioned by American Express, with just over 1.1 million women-owned businesses, California is home to the largest number of women-owned businesses.

A news release with a link to the survey results may be found online at

<http://www.insurance.ca.gov/0400-news/0100-press-releases/2013/release060-13.cfm>

Lana Begunova, ACP, AIS

## CO Reviews Hundreds of New Health Plans

The Colorado Insurance Department is reviewing hundreds of proposed new health insurance plans designed to offer coverage to consumers and small businesses starting January 1, 2014. Seventeen carriers submitted a combined total of 813 health plans for the individual and small group markets. These will be sold through Connect for Health Colorado, as well as outside of the new marketplace.

A news release may be found online at

<http://cdn.colorado.gov/cs/Satellite/DORA-DI/CBON/DORA/1251623058289>

Lana Begunova, ACP, AIS

## CO Governor Names Salazar as Insurance Commissioner

Colorado Governor John Hickenlooper appointed Marguerite Salazar as insurance commissioner following the resignation of Jim Riesberg. She began work August 19.

Salazar served more than 20 years as president and CEO of Valley-Wide Health Systems in Alamosa. She had most recently worked for the U.S. Department of Health and Human Services, where she was the Region VIII director since May 2010. As insurance commissioner, she will focus on the operation of Connect for Health Colorado, the state's new health insurance marketplace, as well as assisting consumers and other stakeholders with all insurance needs.

A news release about Salazar's appointment may be found online at

<http://cdn.colorado.gov/cs/Satellite/DORA-DI/CBON/DORA/1251623058289>

Lana Begunova, ACP, AIS



## CO to Address Transgender Health Benefits

The Colorado Civil Rights Commission, the Colorado Civil Rights Division, and Kaiser Permanente have announced plans to convene a discussion, in partnership with public officials, community organizations and health industry leaders, to address transgender health benefits in the state of Colorado.

A news release with details about the plans for and scope of the discussion may be found online at

<http://cdn.colorado.gov/cs/Satellite/DORA-DI/CBON/DORA/1251623058289>

Lana Begunova, ACP, AIS

## HI Reminds Public about Hurricane Coverage

The Hawaii Insurance Department reminded the public that with the onset of hurricane season, which began June 1, now is a good time to review insurance policies to ensure that residents' homes, condominiums and businesses are covered in the case of a hurricane-related loss.

A news release with the reminder may be found online at

<http://hawaii.gov/dcca/ins/news-releases/Hurricane%20Insurance%20Reminder%20070213.pdf>

Lana Begunova, ACP, AIS

## HI Prohibits Use of Mobile Devices While Driving

The Hawaii Legislature approved House Bill 980 relating to the use of electronic communication devices while driving. The bill adds a new section to the state traffic code to prohibit the operation of a motor vehicle while using a mobile electronic device, except for making an "911" emergency communication.

The bill may be found online at

[http://www.capitol.hawaii.gov/measure\\_indiv.aspx?billtype=HB&billnumber=890&year=2013](http://www.capitol.hawaii.gov/measure_indiv.aspx?billtype=HB&billnumber=890&year=2013)

Lana Begunova, ACP, AIS

## HI Revises Seat Belt Requirements

The Hawaii Legislature approved Senate Bill 4, revising seat belt requirements in the state. The bill amends the Hawaii Revised Statutes to require all passengers in either the front or back seat of a motor vehicle to be restrained by a seat belt assembly if over eight years of age.

The bill may be found online at

[http://www.capitol.hawaii.gov/measure\\_indiv.aspx?billtype=SB&billnumber=4&year=2013](http://www.capitol.hawaii.gov/measure_indiv.aspx?billtype=SB&billnumber=4&year=2013)

Lana Begunova, ACP, AIS

## NV Announces New Website and ACA Guide

The Nevada Insurance Department has announced the launch of its new website at [doi.nv.gov](http://doi.nv.gov). The website provides Nevada consumers with comprehensive information about insurance and healthcare reform in the state. The new Nevada Employer's Guide to the Affordable Care Act is also available for download at [doi.nv.gov/News-Notices/Publications/](http://doi.nv.gov/News-Notices/Publications/). This guide answers some of the most common questions that business owners have about how healthcare reform will affect their business.

The guide may be found online at

<http://doi.nv.gov/News-Notices/Publications/>

A news release about the new website and guide may be found online at

[http://doi.nv.gov/News-Notices/Nevada\\_Division\\_of\\_Insurance\\_announces\\_new\\_website/](http://doi.nv.gov/News-Notices/Nevada_Division_of_Insurance_announces_new_website/)

Lana Begunova, ACP, AIS

## NV Revises Rulemaking Process

The Nevada Legislature approved Assembly Bill 252, revising the rulemaking process. The bill adds a new section to NRS Chapter 233B to require an administrative agency proposing a new regulation to send to the director of the Legislative Counsel Bureau an electronic copy of any notice the agency will be posting for the regulation regarding any meetings or workshops relating to the regulation and to do that on the same day as it posts the notice on the Legislative Counsel Bureau's website.

The bill may be found online at

<http://www.leg.state.nv.us/Session/77th2013/Reports/history.cfm?billname=AB252>

Lana Begunova, ACP, AIS

## NV Enacts Credit Scoring Law

The Nevada Legislature approved Assembly Bill 120 concerning the use of credit scoring. The bill amends NRS 686A.700 to require the Division of Insurance to post on its website a list of insurers that do not use credit score information in rating private passenger auto and homeowner's policies. The list will be updated annually on July 1.

The bill may be found online at

<http://www.leg.state.nv.us/Session/77th2013/Reports/history.cfm?billname=AB120>

Lana Begunova, ACP, AIS

## NV Revises Rate Filing Requirements

The Nevada Legislature approved Senate Bill 114 pertaining to rate filings. The bill amends NRS 686B.070, which requires the filing of rates, rate changes, and rate-related forms and information, to additionally require that any filing for a change in a rate must include a proposed effective date and to be filed at least 30 days before that proposed effective date.

The bill may be found online at

<http://www.leg.state.nv.us/Session/77th2013/Reports/history.cfm?billname=SB114>

Lana Begunova, ACP, AIS

## NM Registers First Health Exchange Company

The New Mexico Insurance Division (now known as the Office of Superintendent of Insurance). has licensed the first new company to do business in the state insurance exchange. Newly licensed New Mexico Health Connections will begin serving customers in the exchange and in commercial markets statewide this October, with coverage starting January 1, 2014.

A news release may be found online at

<http://www.nmprc.state.nm.us/administrative-services/docs/press-releases/2013-02-19-NMHC2013.pdf>

Lana Begunova, ACP, AIS

## NM Receives High Marks for Pipeline Safety

The New Mexico Pipeline Safety Bureau has received high scores from the federal government in two major safety management categories. The evaluation shows that the bureau received a quality performance rating of 99.1 per cent in its hazardous liquid program and 100 per cent in its natural gas program.

A news release may be found online at

<http://www.nmprc.state.nm.us/administrative-services/docs/press-releases/2013-03-18-PipelineSafety2013.pdf>

Lana Begunova, ACP, AIS

## NM Sets Schedule for Reasonable Cost Threshold

The New Mexico Public Regulation Commission has set a schedule for a new rulemaking on the reasonable cost threshold (RCT). The new rulemaking considers avoided costs and RCT's diversity requirements. Discrepancies between the department's definition of a renewable energy certificate (REC) and a REC's statutory definition are also addressed.

A news release may be found online at

<http://www.nmprc.state.nm.us/administrative-services/docs/press-releases/2013-06-26-RCTJune2013.pdf>

Lana Begunova, ACP, AIS

## NM Selects New Chief General Counsel

The New Mexico Insurance Division (now known as the Office of Superintendent of Insurance) has appointed staff attorney Michael Smith as its new chief general counsel. A veteran attorney with more than 20 years of experience, Smith has been a staff attorney at the department since June 2012, acting as a general counsel in a variety of regulatory cases.

A news release about his appointment may be found online at

<http://www.nmprc.state.nm.us/administrative-services/docs/press-releases/2013-06-26-MikeSmith2013.pdf>

Lana Begunova, ACP, AIS

## NM Discusses Rural Telecom Service Funds

The New Mexico Public Regulation Commission is continuing to examine rules concerning the implementation of the state's Rural Universal Service Fund (RUSF) for telecommunication carriers. The department is holding workshops through which it hopes to obtain recommendations for revision to its rule on establishing RUSF benchmark rates and the formula for annual determination of the fund.

A news release may be found online at

<http://www.nmprc.state.nm.us/administrative-services/docs/press-releases/2013-07-10-USFWorkshops2013.pdf>

Lana Begunova, ACP, AIS

## UT Hosts ACA Discussion

The Utah Insurance Department hosted a Conversation with the Commissioner on July 15, 2013, during which the department provided direction regarding the Affordable Care Act and reviewed the inducement law. A question-and-answer period was then provided.

The following are the links to power point presentations and handouts provided during the meeting:

Affordable Care Act and Health Care Producers

<https://insurance.utah.gov/news/documents/ACAPwrPt7-16-13.pdf>

Avenue H Health Insurance Marketplace

<https://insurance.utah.gov/news/documents/AveH7-16-2013.pdf>

R590-154, Unfair Marketing Practices Rule

<https://insurance.utah.gov/legal-resources/rules/documents/R590-154Eff10-3-2012.pdf>

Bulletin 2013-5, regarding inducements in connection with the quote, sale, continuation, or termination of an insurance contract

<https://insurance.utah.gov/legal-resources/rules/documents/R590-154Eff10-3-2012.pdf>

Lana Begunova, ACP, AIS

## UT Creates Universal Health Application

The Utah Insurance Department has promulgated Rule R590-247, which directs the commissioner to create a universal health insurance application.

The rule may be found online at

<https://insurance.utah.gov/legal-resources/rules/documents/247Amend7-15-2013.pdf>

Lana Begunova, ACP, AIS

## UT Permits Concurrent Property Damage, Bodily Injury Claims

The Utah Legislature passed new legislation providing claimants with the ability to resolve automobile property damage value disputes without limiting the ability to make another claim against the same individual in regards to bodily injury.

The revised statute may be found online at

[http://le.utah.gov/code/TITLE78A/htm/78A08\\_010200.htm](http://le.utah.gov/code/TITLE78A/htm/78A08_010200.htm)

Lana Begunova, ACP, AIS

## UT Commissioner Meets with Congressional Delegation

Utah Insurance Commissioner Todd E. Kiser met with members of his Congressional delegation to discuss insurance affecting Utah. The National Association of Insurance Commissioners coordinated the meetings to enhance collaboration between state and federal officials. Subjects discussed included the impact of Dodd-Frank and Affordable Care Act on states, the agenda of the House Financial Services Committee, and international regulatory developments.

A press release about the meeting may be found online at

<https://insurance.utah.gov/news/documents/PR-KiserInWashington5-2013.pdf>

Lana Begunova, ACP, AIS

## UT Publishes Fee Schedule

The Utah Insurance Department has adopted Rule R590-102, which requires the commissioner to publish the schedule of fees approved by the legislature and to establish deadlines for payment of each of the various fees.

The rule may be found online at

<https://insurance.utah.gov/legal-resources/rules/documents/102Amend10-25-2012.pdf>

Lana Begunova, ACP, AIS

## UT Implements Uniform Claim Handling and Billing

The Utah Insurance Department has promulgated Rule R590-164, which authorizes the commissioner to adopt uniform claim forms, billing codes, and compatible systems of electronic billing.

The rule may be found online at

<https://insurance.utah.gov/legal-resources/rules/documents/164Amend12-12.pdf>

Lana Begunova, ACP, AIS

## UT Amends Regulation of Life Insurance and Annuities

The Utah Insurance Department amended Rule R590-93, extending the commissioner's authority to require statements regarding existing insurance and adopt the notice regarding replacement. The rule allows insurers to let their producers use one of two different replacement notices with a life or annuity application.

A summary of the revisions may be found online at

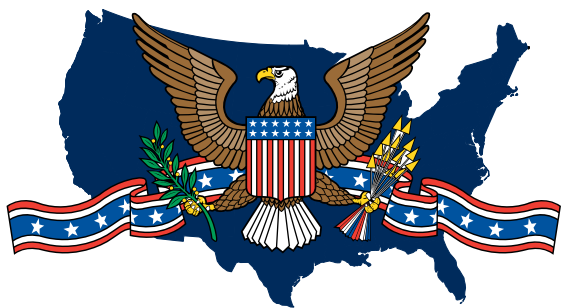
<https://insurance.utah.gov/legal-resources/rules/documents/93Form4-11-2013.pdf>

The rule may be found online at

<https://insurance.utah.gov/legal-resources/rules/documents/93Amend4-11-2013.pdf>

Lana Begunova, ACP, AIS





# United States

**Editor, Brady Smith**

*Symetra Financial*

425-256-6325, [brady.smith@symetra.com](mailto:brady.smith@symetra.com)

## High Court Reshapes Defense of Marriage Act

The Supreme Court decided *United States v. Windsor* on June 26, 2013, ([http://www.supremecourt.gov/opinions/12pdf/12-307\\_6j37.pdf](http://www.supremecourt.gov/opinions/12pdf/12-307_6j37.pdf)), which pruned a key provision, Section 3, from the federal Defense of Marriage Act (DOMA) (<http://www.gpo.gov/fdsys/pkg/PLAW-104publ199/pdf/PLAW-104publ199.pdf>)

The Defense of Marriage Act, Public Law 104-199, Section 3, excluded same-sex partners from the definition of spouse as used in federal statutes. The decision notes:

"The definitional provision does not by its terms forbid States from enacting laws permitting same-sex marriages or civil unions or providing state benefits to residents in that status. The enactment's comprehensive definition of marriage for purposes of all federal statutes and other regulations or directives covered by its terms, however, does control over 1,000 federal laws in which marital or spousal status is addressed as a matter of federal law."

In its order, the court held DOMA invalid and said that it "for no legitimate purpose overcomes the purpose and effect to disparage and to injure those whom the State, by its marriage laws, sought to protect in personhood and dignity." The ruling added, "By seeking to displace this protection and treating those persons as living in marriages less respected than others, the federal statute is in violation of the Fifth Amendment. This opinion and its holding are confined to those lawful marriages."

By striking only Section 3, the court left in place the states' authority to regulate marriage embodied in Section 2 of DOMA. However, the findings in the court's decision are already being used to challenge state-enacted DOMA statutes and constitutional provisions.

Lambda Legal, a gay-rights organization, identified several high-level issues that have to be addressed in the wake of the court's ruling, including the following:

- Private Employment Issues and Benefits
- Family and Medical Leave Act for Non-Federal Employees
- The Free Application for Federal Student Aid (FAFSA)
- Medicaid
- Military Spousal Benefits
- Supplemental Security Income for Aged, Blind, and Disabled (SSI)
- Bankruptcy
- Benefits and Protections for Civilian Federal Employees and their Spouses
- Federal Taxes
- Immigration

- Social Security and Family Protections
- Veteran's Spousal Benefits
- Medicare Spousal Protections
- Temporary Assistance for Needy Families (TANF)

More information may be found on Lambda Legal's website at

<http://www.lambdalegal.org/publications/after-doma>

At the time of this writing, the federal government is reviewing the federal statutes 'touched' by the definitions in Section 3 before providing guidance for updated understanding of the rights and benefits of same-sex marriages.

The Department of Defense has announced its implementation of same-sex spouse benefits. Information may be found online at

<http://www.defense.gov/news/newsarticle.aspx?id=120621>.

The Social Security Administration (SSA) has announced a preliminary position, which may be found online at

<http://ssa.gov/pressoffice/pr/doma-statement-pr-alt.pdf>). It has also provided guidance to its claim processors, which may be found online at

<https://secure.ssa.gov/apps10/poms.nsf/lnx/0200210000>.

The SSA guidance includes the dates same-sex marriages were legalized in a state and when out-of-state same-sex marriages were recognized under state law.

The legal landscape (federal DOMA struck down, state laws still in place) presents challenges for insurance companies, employers, employees, and benefits administrators,

Here are some possible complications:

- Some states require disclosures in annuity contracts and life insurance policies regarding same-sex marriages or civil unions. The statutes, rules, and bulletins have not been revised, expunged or repealed after the Windsor decision.
- Employee benefits for same-sex spouses may vary according to the state of residency or state in which the marriage was executed.
- How will same-sex marriages from foreign jurisdictions be recognized?
- Are same-sex marriages, civil unions and domestic partnerships all recognized as equivalent relationships under law?
- If the federal DOMA statute has always been unconstitutional, is Section 3 void from its enactment. If so, should federal benefits be granted retroactively?
- Do annuity insurers have to review annuity settlements to offer a (tax-qualified) spousal continuation option if the individual contract holder died and the same-sex spouse had to accept a taxable lump sum payment?
- Will there be any "safe harbors" for actions taken in good faith before the federal government and regulatory agencies complete their review of pre-DOMA guidance?

Any guidance addressing these complications won't be available for at least months, and possibly, years.

## GAO Report Anticipates Changes in Flood Insurance Program

In report GAO-13-568 (July 3, 2013), the Government Accountability Office projected possible outcomes for changes to the National Flood Insurance Program (NFIP).

The NFIP currently has more than 5.5 million policyholders insured for about \$1.3 trillion who pay about \$3.5 billion in annual premiums. Of these, less than half purchase maximum coverage—a possible indicator of how many might purchase additional coverage were it offered. However, from 2002 through 2012, the proportion of residential and commercial policies at maximum building coverage rose substantially—from 11 percent to 42 percent and from 21 percent to 36 percent, respectively.

States along the Gulf and East Coasts have the most residential policyholders with maximum coverage. In addition, states with higher median home values generally have a higher percentage of policyholders purchasing coverage up to the limit. Industry stakeholders said that an unknown number of policyholders with higher-value properties choose to purchase additional, or excess, coverage above the NFIP limit through the private flood insurance market—a small and selective group of insurers.

Increasing coverage limits could increase the net revenue of the program and have varying effects on the NFIP, the private insurance market, and consumers.

Assuming that higher coverage limits had been in effect from 2002 through 2011, the GAO analysis suggests that the NFIP still would have suffered losses during years with catastrophic floods, such as 2004 and 2005, but would have experienced net increases in revenue in other years. Such increases could have offset future losses or helped avoid additional debt, but the overall financial impact and risk to the program would depend on the adequacy of the rates charged—which the GAO has questioned in the past—and the number of policyholders opting for additional coverage.

Regarding the private flood insurance market and consumers, higher NFIP coverage limits could decrease participating insurers' overall risk exposure and provide more options to consumers, but they might also lessen participation of private insurers, as consumers might need to purchase less private insurance.

Adding optional coverage to the NFIP for business interruption and additional living expenses could result in less uninsured risk in the market but could further negatively impact the financial stability of the program. Industry stakeholders told the GAO that business interruption coverage is generally purchased by only larger companies, as its high cost prohibits small- and medium-sized companies from being able to afford it.

Adding business interruption coverage to the NFIP could be particularly challenging. For example, properly pricing risk, underwriting, and claim processing can be complex. NFIP officials have stated that they would have to hire additional expertise in-house to offer this coverage. Similarly, offering optional coverage for additional living expenses has many of the same potential effects on the NFIP, the private market, and consumers, although this coverage is generally less complex to administer.

The NFIP was created in 1968 and is the only federal flood insurance available. It may be the sole source of insurance to some residents of flood-prone areas.

Mainly due to catastrophic losses in 2005, the program became indebted to the U.S. Treasury and has been unable to repay this debt. Because of the NFIP's financial instability and management challenges, the GAO placed the program on its High-Risk List in 2006.

The Biggert-Waters Flood Insurance Reform Act of 2012 introduced many changes to the program. It mandates the GAO to study the effects of increasing the maximum coverage limits (\$250,000 for residential buildings and \$500,000 for commercial buildings) and providing optional coverage for business interruption and additional living expenses.

In preparing its report, the GAO analyzed data from the NFIP's databases of policies and claims, reviewed prior reports, and interviewed brokers, insurers, and representatives from consumer advocacy and industry organizations. The GAO continues to support previous recommendations to the Federal Emergency Management Agency (FEMA) that address the need to ensure that the methods and data used to set NFIP rates accurately reflect the risk of losses from flooding. FEMA agreed and has taken some steps to begin to implement them.

The full 42-page report is posted on the GAO website at

<http://gao.gov/assets/660/655719.pdf>.

## GAO Reviews Effects of Reducing Flood Insurance Subsidies

The Government Accountability office has released report GAO-13-607 (dated July 3, 2013) reviewing the effect of reducing subsidies under the National Flood Insurance Program.

The Biggert-Waters Flood Insurance Reform Act of 2012 immediately eliminated subsidies for about 438,000 National Flood Insurance Program (NFIP) policies, but subsidies on an estimated 715,000 policies across the nation remain. Depending on factors such as policyholder behavior, the number of subsidized policies will continue to decline over time.

For example, as properties are sold and the Federal Emergency Management Agency (FEMA) resolves data limitations and defines key terms, more subsidies will be eliminated. The GAO analysis found that remaining subsidized policies would cover properties in every state and territory where the NFIP operates, with the highest numbers in Florida, Louisiana, and California.

In comparing remaining subsidized and unsubsidized policies the GAO found varying characteristics. For example, counties with the highest and lower home values had a larger percentage of subsidized versus unsubsidized policies.

Data constraints limit FEMA's ability to estimate the aggregate cost of subsidies and establish rates reflecting actual flood risks on previously subsidized policies. FEMA does not have sufficient historical program data on the percentage of full-risk rates that subsidized policyholders have paid to estimate the financial impact--in terms of the difference between subsidized and full-risk premium rates--to the NFIP of subsidies.

Also, because not all policyholders are required to provide documentation about their flood risk, FEMA generally lacks information needed to apply full-risk rates (as required by the Biggert-Waters Act) on previously subsidized policies. FEMA is encouraging these policyholders to voluntarily submit this documentation.

Federal internal control standards state that agencies should identify and analyze risks associated with achieving program objectives and develop a plan for obtaining needed data. Without this documentation, the new rates may not accurately reflect a property's full flood risk, and policyholders may be charged rates that are too high or too low relative to their risk of flooding.

Options from the GAO's previous and current work for reducing the financial impact of subsidies on the NFIP include adjusting the pace of subsidy elimination, targeting assistance or subsidies based on financial need, or increasing mitigation efforts, such as relocation or elevation that reduce a property's flood risk.

However, these options have advantages and disadvantages. The options are not mutually exclusive, and combining them could help offset some disadvantages. The report said FEMA should develop and implement a plan to obtain flood risk information needed to determine full-risk rates for properties with previously subsidized rates. FEMA agreed with the recommendation.

FEMA, which administers the NFIP, estimated that in 2012 more than 1 million of its residential flood insurance policies--about 20 percent--were sold at subsidized rates, and nearly all were located in high-risk flood areas. Because of their relatively high losses and lower premium rates, subsidized policies have been a financial burden on the program. Due to the NFIP's financial instability and operating and management challenges, the GAO placed the program on its high-risk list in 2006.

The Biggert-Waters Act eliminated subsidized rates on certain properties and mandated the GAO to study the remaining subsidized properties. This report examines

- (1) The number, location, and characteristics of properties that continue to receive subsidized rates compared with full-risk rate properties;
- (2) The information needed to estimate the historic cost of subsidies and establish rates for previously subsidized policies that reflect the risk of flooding; and
- (3) Options to reduce the financial impact of remaining subsidized policies. The GAO analyzed NFIP data on types of policies, premiums, and claims and publicly available home value and household income data. The GAO also interviewed representatives from FEMA, insurance industry associations, and floodplain managers.

The full report is posted on the GAO website at

<http://gao.gov/assets/660/655734.pdf>.



# Canada

*Editor, Brady Smith*

*Symetra Financial*

425-256-6325, [brady.smith@symetra.com](mailto:brady.smith@symetra.com)

Alberta (AB), British Columbia (BC), Manitoba (MB), New Brunswick (NB), Newfoundland and Labrador (NL)  
Nova Scotia (NS), Northwest Territories (NT), Nunavut (NU), Ontario (ON), Prince Edward Island (PE), Québec (QC), Saskatchewan (SK), Yukon (YT)

## NB Activates Financial and Consumer Services Commission

The New Brunswick Financial and Consumer Services Commission (FCSC) began operation July 1, 2013, bringing together the regulatory authorities for securities, insurance, pensions, consumer affairs, co-operatives, credit unions, caisses populaires, and loan and trust companies.

"We live in a world with a rapidly changing financial and consumer services marketplace where increasingly complex products and services are being offered," said David Barry, chair of the commission. "Under this new model, the regulation of financial services in New Brunswick will be more effective with consistent and appropriate regulatory oversight allowing us to respond to evolving marketplace needs."

A full list of the types of businesses that are covered under the new legislation may be found online at

<http://www.fcnb.ca>.

"Information is power for consumers; we will be providing information that can help them make informed purchasing and investing decisions," Barry said.. "New Brunswickers can contact us when they have questions or concerns related to their financial services."

The commission will have offices in Saint John and in Fredericton. It is an arm's-length Crown Corporation self-funded by the fees and assessments paid by the regulated sectors.

The same legislation that created the FCSC has also created a tribunal to perform required adjudicative functions. The tribunal will operate independently from the administration and policy making functions of the FCSC. It will hear matters related to enforcement as well as appeals of a regulatory decision made by FCSC staff. The independent tribunal will provide the regulated sectors with a transparent and consistent hearing process.

More information about the commission may be found online at

<http://www.fcnb.ca/communique.html#July2>

## NS Changes Rate Filing Requirements

The Nova Scotia Utility And Review Board has published Information Bulletin INS-13-05, dated August 19, 2013, Changes to Rate Filing Requirements.

In response to comments received from its 2012 Stakeholder Survey, the board made changes to its rate filing requirements, effective August 16, 2013.

These changes are:

- 1) the introduction of two new electronic filing requirements
  - a) Section 155G - Adopt IAO Rates
  - b) Section 155G - Discounts & Surcharges;
- 2) the streamlining of Section 155G – Endorsements filing requirements; and
- 3) the making of some minor adjustments to Section 155G – Prior Approval requirements.

An application made under (1) and (2) will now require electronic filing only, while applications under (3) will require three hard copies.

Additional details may be found on the NSUARB website at

[http://nsuarb.novascotia.ca/sites/default/files/ratefilings/nsuarb\\_info\\_bulletin\\_ins-13-05\\_changes\\_to\\_rfr.pdf](http://nsuarb.novascotia.ca/sites/default/files/ratefilings/nsuarb_info_bulletin_ins-13-05_changes_to_rfr.pdf).

## NS Publishes FAQs on Rate Filing & Review Process

The Nova Scotia Utility And Review Board has published Information Bulletin: INS-13-06, dated August 19, 2013, Frequently Asked Questions – Rate Filing & Review Process.

The questions are:

- Q1: Under what filing requirements can a company submit an application to qualify to reset the mandatory filing deadline?
- Q2: How is the New Mandatory Filing Deadline Determined?
- Q3: What can I do if a company's book is too small for meaningful actuarial analysis?
- Q4: Where can I find the Mandatory Filing Schedule?
- Q5: Can I get an extension for my mandatory filing deadline?
- Q6: What is the Board's review process?
- Q6: How do I submit the Company Application? (sic)

The bulletin is posted on the NSUARB website at

[http://nsuarb.novascotia.ca/sites/default/files/ratefilings/nsuarb\\_info\\_bulletin\\_ins-13-06\\_faq\\_on\\_review\\_process.pdf](http://nsuarb.novascotia.ca/sites/default/files/ratefilings/nsuarb_info_bulletin_ins-13-06_faq_on_review_process.pdf).



## NS Requires Electronic Submission of Auto Rate Manuals

The Nova Scotia Utility And Review Board Information Bulletin: INS-13-03, dated August 16, 2013, Electronic Submission Of Rate Manuals, announces changes to rate manual submission requirements.

The board maintains a library of rate manuals for those companies licensed to offer automobile insurance for individually-rated private passenger vehicles, commercial vehicles (including interurban trucks), and miscellaneous vehicles in Nova Scotia. These rate manuals include underwriting rules, binding authority rules, and the approved rates.

The board has moved to an electronic library of rate manuals. When an application to modify rates and/or risk-classification systems is approved, the library of rate manuals must be updated.

Companies receiving a decision on a rate filing application that results in changes to rate manual pages will be required to submit an electronic version of the updated rate manual within 30 days of the date of the applicable Order.

The board requires rate manuals to be submitted as one complete document and in searchable portable document format, to include:

- Rate pages for private passenger vehicles;
- Rate pages for commercial vehicles;
- Rate pages for miscellaneous vehicles;
- One set of complete Underwriting Rules; and
- One set of complete Binding Authority Rules (i.e. Referral Rules, Risks not Written Rules, etc.).

Rate manuals are not posted on the board's website. Rate pages are not confidential, but underwriting rules and binding authority rules are confidential.

The board will initially rely on the mandatory filing process to collect updated electronic versions of rate manuals or as applications are approved. However, the board may direct those companies who have not yet filed an electronic version to file their rate manual in this form.

Companies are asked to distribute this Information Bulletin to other individuals in the company who are responsible for rate filings and updating rate manuals. When submitting a rate manual as a result of a board order, companies are requested to identify the applicable board order and matter number.

The board considers this improvement in the rate manual filing process of benefit to both the industry and the board.

The bulletin may be found online at

[http://nsuarb.novascotia.ca/sites/default/files/ratefilings/nsuarb\\_info\\_bulletin\\_ins-13-03\\_electronic\\_rate\\_manuals.pdf](http://nsuarb.novascotia.ca/sites/default/files/ratefilings/nsuarb_info_bulletin_ins-13-03_electronic_rate_manuals.pdf)

## ON Suffers Extensive Flooding From July Storm

In a matter of hours on July 8, 2013, a severe thunderstorm with heavy, intense rainfall caused flash flooding and set a record for Ontario insured damages arising from a single natural disaster. The Insurance Bureau of Canada (IBC) reported that the preliminary estimate of insured property damage caused by this thunderstorm is more than \$850 million.

Ralph Palumbo, IBC vice president for Ontario, said: "While these preliminary estimates are staggering, we do expect them to go even higher. The good news is that our industry was well prepared to handle our obligations to customers."

But Palumbo offered this warning: "Damage caused by more frequent severe weather is just another situation our members must prepare for. The Ontario government is urged to acknowledge this and to exercise caution when it comes to imposing auto insurance premium and return-on-equity reductions without first introducing reforms that will reduce costs in the product. Without such savings, the government is almost certain to make a bad situation worse, ultimately for consumers."

Between July 8 and 9, the storm led to a power outage affecting at least 300,000 residents in Toronto, Canada's largest city. It shut down subways and left approximately 1,400 passengers stranded for hours on a commuter train filled with water. The torrential rains washed out sections of track across the GO Transit rail system, causing numerous delays and system shutdowns. Both Toronto Pearson International Airport and Toronto Island Airport reported significant delays and cancellations.

Since IBC and The PCS-Canada Service started collecting data on insured losses caused by extreme weather events in Ontario, the following events have been the most expensive:

- July 8-9, 2013 – \$850 million (wind and thunderstorm event)
- Aug 19, 2005 – \$671 million (wind/rain storm)\*
- July 24-28, 2009 – \$ 228 million (heavy rain)\*
- The preliminary estimate is reported by The PCS-Canada Service, a service that tracks insured losses arising from catastrophic events in Canada.

IBC has been providing residents with practical information on assessing damage, filing claims, resolving disputes, and coordinating with governments at the municipal, provincial, and federal levels on issues linked to flood response and recovery. IBC said that it and its members are doing everything they can to advance claim requests to ensure that policyholders can return to normal life as quickly as possible.

A news release with further details may be found online at

[http://www.ibc.ca/en/Media\\_Centre/News\\_Releases/index.asp](http://www.ibc.ca/en/Media_Centre/News_Releases/index.asp)

---

*\*expressed in 2012 dollars*

## Officers & Directors

General inquiries may be e-mailed to [aicp@aicp.net](mailto:aicp@aicp.net). Member e-mail addresses are available through the AICP website at [www.aicp.net](http://www.aicp.net) by clicking on the Members area button.

### Executive Officers

#### President

Douglas Simino  
Vice President  
Product Filing  
Transamerica Employee Benefits  
1400 Centerview Drive  
Little Rock, AR 72211  
(501) 227-1037  
[doug.simino@transamerica.com](mailto:doug.simino@transamerica.com)

#### Vice-President

Elaine Douglas  
Compliance Officer  
Red Shield Insurance Company  
1411 SW Morrison St, Ste 400  
Portland, OR 97205  
(503) 226-4146 xtn 190  
[edouglas@redshield.com](mailto:edouglas@redshield.com)

#### Secretary

Dawn Murphy  
Regulatory and Compliance Manager  
The Hanover Insurance Group  
440 Lincoln Street  
Worcester, MA 01653  
(508) 855-2491  
[daxmurfhey@hanover.com](mailto:daxmurfhey@hanover.com)

#### Treasurer

Doug Geraci  
Compliance Analyst  
Symetra Financial  
777 108th Avenue NE  
Bellevue, WA 98004-5135  
(425) 256-6335  
[doug.geraci@symetra.com](mailto:doug.geraci@symetra.com)

#### Past-President

Karen Crooks  
Manager, Product Compliance  
OneAmerica  
One American Square  
Indianapolis, IN 46282-0020  
(317) 285-1288  
[karen.crooks@oneamerica.com](mailto:karen.crooks@oneamerica.com)

#### Executive Director

Rick Guggolz  
Drohan Management Group  
12100 Sunset Hills Road, Suite 130  
Reston, VA 20190  
(703) 437-4377 Ext. 4070  
[rguggolz@drohanmgmt.com](mailto:rguggolz@drohanmgmt.com)

#### General Counsel

Rich Fidei  
Partner  
Colodny, Fass, Talenfeld,  
Karlinsky, Abate & Webb  
100 SE 3rd Ave, 23rd Floor  
One Financial Plaza  
Fort Lauderdale, FL 33394  
(954) 492-4010 x1900  
[RFidei@CFTlaw.com](mailto:RFidei@CFTlaw.com)

### Regional Directors

#### Great Lakes Chapter

Pam Sampey  
Enterprise Project Manager  
Zurich North America  
1400 American Ln, T1/3  
Schaumburg, IL 60196  
(847) 605-6487  
[Pamela.sampey@zurichna.com](mailto:Pamela.sampey@zurichna.com)

#### Gulf States Chapter

Beverly Witt  
Regulatory Supervisor, Specialty Risk  
AmTrust North America  
8995 Westside Pkwy  
Alpharetta, GA 30009  
(678) 258-8357  
[Beverly.witt@amtrustgroup.com](mailto:Beverly.witt@amtrustgroup.com)

#### Heartland Chapter

Sean Cox  
Associate Consultant,  
Filing Unit Supervisor  
First Consulting & Administration, Inc.  
1020 Central  
Kansas City, MO 64105  
(816) 391-2731  
[sean.cox@firstconsulting.com](mailto:sean.cox@firstconsulting.com)

#### Mid-Atlantic Chapter

Charles Lynch, JD  
Attorney/Consultant  
601 East 20<sup>th</sup> St., #9H  
New York, NY 10010  
(973) 948-1177  
[cblynch1@verizon.net](mailto:cblynch1@verizon.net)

#### Midwest Chapter

Doris Jackson  
Contract Compliance  
Regulatory Coordinator  
Ohio National Financial Services  
One Financial Way  
Cincinnati, OH 45242  
(513) 794-6440  
[Doris\\_jackson@ohionational.com](mailto:Doris_jackson@ohionational.com)

#### New England Chapter

Julie Levine, JD  
Sr. Regulatory Compliance Analyst  
CIGNA  
Wilde Building, A4COL  
900 Cottage Grove Rd  
Bloomfield, CT 06002  
(860) 226-9019  
[julie.levine@cigna.com](mailto:julie.levine@cigna.com)

#### Northwest Chapter

Brianne Dahl  
Pricing Analyst  
Enumclaw Insurance Group  
1460 Wells St  
Enumclaw, WA 98022  
(360) 825-2591 x 3096  
[bdahl@mutualofenumclaw.com](mailto:bdahl@mutualofenumclaw.com)

#### South Central Chapter

Diane Higdon  
Vice President, Legal Control Manager II  
American Health &  
Life Insurance Company  
3001 Meacham Blvd.  
Fort Worth, TX 76137  
(817) 348-7535  
[higdonm@citi.com](mailto:higdonm@citi.com)

#### Western Chapter

Shirley Grossman  
Vice President & Compliance Officer  
Lincoln Heritage Life Insurance Company  
4343 E Camelback Rd, Ste 400  
Phoenix, AZ 85018  
(602) 957-1650  
[Shirley.grossman@londen-insurance.com](mailto:Shirley.grossman@londen-insurance.com)

# Committee Chairs

## Bylaws

Rich Fidei, Chair  
(954) 492-4010 x1900  
rfidei@cftlaw.com  
Colodny, Fass, Talenfeld, Karlinsky, & Abate, P.A.  
100 SE 3rd Ave 23rd FL  
One Financial Plaza  
Ft. Lauderdale, FL 33394-0002

## Chapter Relations

Sean Cox  
First Consulting & Administration, Inc  
1020 Central  
Kansas City, MO 64105

## Communications

Debby Paris  
First Consulting & Administration, Inc.  
1020 Central, Suite 201  
Kansas City, MO 64105  
(816) 391-2791  
Karen Yotis,  
State Farm/TEK Systems  
Western Springs, IL

## Conference Planning

Nancy French, Chair  
Compliance Research Services, LLC  
10921 Reed Hartman Highway, #334  
Cincinnati, OH 45242  
BJ Baldwin, Co-Chair  
Transamerica Employee Benefits  
PO Box 8063  
Little Rock, AR 77203

## Education

Mike Fioto, Co-Chair  
(908) 604-3328  
mike.fioto@everestre.com  
Director  
Everest National Insurance Company  
477 Martinsville Road  
Liberty Corner, NJ 07938  
Maryana Grodnova-Ware, Co-Chair  
(402) 471-4802  
maryana.grodnovaware@nebraska.gov  
Life & Health Analyst  
Nebraska Department of Insurance  
941 O St, Ste 400  
Lincoln, NE 68508

## Finance

Doug Geraci  
(425) 256-6335  
doug.geraci@symetra.com  
Compliance Analyst  
Symetra Financial  
777 108th Avenue NE  
Bellevue, WA 98004-5135

## Government and Industry Relations

Roger Osgood  
ACE Westchester  
11575 Great Oaks Way, Suite 200  
Alpharetta, GA 30022  
rosgood64@bellsouth.net  
Carol Heard, MBA, BS  
(650) 572-4697  
cheard@calcas.com  
A.V.P State Filings Manager  
California Casualty Management Company  
1900 Alameda De Las Pulgas  
San Mateo, CA 94403-1294

## Marketing

Susan Bradbury  
Berkley Accident and Health, LLC  
599 W. Crossville Road  
Roswell, GA 30075  
Bill Douglas  
(971) 321-7427  
bill.douglas@standard.com  
Standard Insurance Company  
1100 SW 6th Avenue (P5A)  
Portland, OR 97204

## Membership

Erica Brownell, Co-Chair  
Washington Surveying & Rating Bureau  
2101 4th Avenue, Suite 300  
Seattle, WA 98121  
Florence Marafatsos, Co-Chair  
Fortress Insurance Company  
6133 N River Rd. #650  
Rosemont, IL 60018

## Nominating

Karen Crooks  
OneAmerica  
One American Square  
Indianapolis, IN 46606

## Publications

Karen Crooks  
OneAmerica  
One American Square  
Indianapolis, IN 46606  
Darrell Turner  
Brotherhood Mutual Insurance Co  
6400 Brotherhood Way  
Fort Wayne, IN 46825

## Website

Sue Eckler-Kerns, Co-Chair  
Prudential Retirement  
200 Wood Avenue S  
Iselin, NJ 08830  
Katie Gurnett, Co-Chair  
Physicians Mutual Insurance Company  
2600 Dodge Street  
Omaha, NE 68131

# Association of Insurance Compliance Professionals Chapter Officers 2012–2013

## Great Lakes Chapter

*(IL, WI)*

### President

Florence Marafatsos  
Fortress Insurance Company

### Vice President

Karen Yotis  
Social Media Family Network

### Secretary

Carolyn Denk  
Zurich North America

### Treasurer

Hazel Delane  
Milliman, Inc.

### Past President

Michael Holler  
Combined Insurance Company of America

## Gulf States Chapter

*(AL, FL, GA, MS, NC, SC, TN)*

### President

Ruthanne Matson  
Triad Guaranty Insurance

### Vice President

Tina Knight  
Madison Consulting Group, Inc.

### Secretary

Maria Moller  
Frontline Homeowners Insurance

### Treasurer

Jessie Wilbanks  
RSUI Group

### Past President

Rich Fidei  
Colodny, Fass, Talenfeld, Karlinsky & Abate, P.A.

## Heartland Chapter

*(IA, KS, MN, MO, NE, ND, SD)*

### President

Jackie Ward  
Aviva USA

### Vice President

Stacie Baker  
Equitrust Life Insurance Co

### Secretary

Debby Paris  
First Consulting & Administration, Inc.

### Treasurer

Vickie Goodman  
Assurity Life Insurance Company

### Past President

Linda Snook  
Swiss Re

## Mid-Atlantic Chapter

*(DE, DC, MD, NJ, NYC, PA, VA)*

### President

Larry Gross

### Vice President

Rona Finkelstein  
Injured Worker's Insurance Fund

### Secretary

Susan Coulter  
Coulter and Associates

### Treasurer

Michelle Ringelheim  
The Prudential Insurance Company

### Past President

Matt Brasch  
Cumberland Insurance Group

## Midwest Chapter

*(IN, KY, MI, OH, WV)*

### President

Carmen Behovitz  
FinCor Holdings, INC.

### Vice President

Jennifer Stephen  
Great American Financial Resources, Inc.

### Secretary

Jami Kelley  
Wolters Kluwer Financial Services

### Treasurer

Reba Jones  
Selective Insurance Company of America

### Past President

Reba Jones  
Selective Insurance Company of America

## New England Chapter

*(CT, ME, MA, NH, Upstate NY, RI, VT)*

### President

Cailie Currin  
Currin Compliance Services LLC

### Vice President

Amy Whipple  
Thomson Reuters Accelus

### Secretary

Theresa Lavenburg  
Travelers

### Treasurer

Sarah Huffer  
Currin Compliance Services, LLC

### Past President

Karen Andrews  
Travelers



The Association of Insurance Compliance Professionals serves over 1,500 members from approximately 500 different insurance companies. Our members are actively involved or have an interest in statutes and regulations on state filing methods and requirements. Association membership includes personnel from property and casualty insurers, life and health insurers, insurance regulation and specialty operations.

**For membership information, contact**  
Association of Insurance Compliance Professionals  
12100 Sunset Hills Road, Suite 130  
Reston Virginia 20190  
703.234.4074 FAX: 703.435.4390  
e-mail: [aicp@aicp.net](mailto:aicp@aicp.net) [www.aicp.net](http://www.aicp.net)

## Association of Insurance Compliance Professionals Chapter Officers 2012–2013

### Northwest Chapter

(AK, ID, MT, OR, WA, WY)

#### President

Elaine Douglas  
Red Shield Insurance Company

#### Vice President

Leslie Krier  
Washington State Office of  
Insurance Commissioner

#### Secretary

Karina Harvey

#### Treasurer

Angela Walicki

#### Past President

Stephen Youngkrantz  
Safeco Insurance Companies

### South Central Chapter

(AR, LA, OK, TX)

#### President

Tyrone Settlemeier  
UBI-a Division of AmTrust North America

#### Vice President

Marrjo Ortiz  
New York Life Insurance Company

#### Secretary

Rachelle Carter  
Louisiana Department of Insurance

#### Treasurer

Cynthia Burleson  
Crum & Forster

#### Past President

Donna Benard  
Great American Insurance Group

### Western Chapter

(AZ, CA, CO, HI, NV, NM, UT)

#### President

Randall A. Doctor  
Doctor Law Group LLP

#### Vice President

Lynne Hennessey  
Veterinary Pet Insurance Group

#### Secretary

Elizabeth Clark  
QBE FIRST

#### Treasurer

Carol Heard  
California Casualty Management Company

#### Past President

Mark Banks  
Equitable Life & Casualty Insurance Company

### *The Association of Insurance Compliance Professionals*

is chartered in the state of Delaware and registered with the U.S. Internal Revenue Service as a Section 501(c)(6) organization.

A Section 501(c)(6) tax-exempt organization is classified as a business league. A business league, in general, is an association of persons having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit. Trade associations and professional associations are considered to be business leagues. The business league must be devoted to the improvement of business conditions of one or more lines of business as distinguished from

the performance of particular services for individual persons. It must be shown that the conditions of a particular trade or the interests of the community will be advanced. No part of its net earnings may inure to the benefit of any private shareholder or individual and it may not be organized for profit or organized to engage in an activity ordinarily carried on for profit (even if the business is operated on a cooperative basis or produces only sufficient income to be self-sustaining). The term "line of business" generally refers either to an entire industry or to all components of an industry within a geographic area.

Tax-exempt organizations must make their

last three annual information returns and their approved application for recognition of exemption with all supporting documents available for public inspection. Pursuant to changes enacted as part of the Taxpayer Bill of Rights 2, the organization will be required to provide copies of these documents upon request without charge (other than a reasonable fee for reproduction and copying costs). Penalties are provided for failure to comply with these requirements.

If you need the information returns for AICP (IRS Form 990), please contact our Administrative Headquarters. Documents are available only in hard copy.

## Association of Insurance Compliance Professionals

### New Members 2013

**Jason Ankenman**  
Assurant Employee Benefits  
Kansas City, MO

**Mark Bagay**  
Prudential  
Roseland, NJ

**Kaci Barreto**  
Assurant  
Kansas City, MO

**Elizabeth Brodeur**  
Safety Insurance  
Boston, MA

**Michelle Buscema**  
John Hancock  
Toronto, ON

**Joanne Calvert**  
Chubb Insurance  
Pasadena, MD

**Dana Coble**  
Dent Zone Companies, Inc.  
Irving, TX

**Edward Coleman**  
Markel FirstComp  
Cranston, RI

**Jennifer Covell**  
New York Life Insurance Company  
New York, NY

**Brian Craven**  
Colonial Life & Accident Insurance  
Company  
Columbia, SC

**Steven Davis**  
Stradley Ronon  
Philadelphia, PA

**Joseph DeCree**  
Arch Insurance Group  
Jersey City, NJ

**Debra Dorsey**  
NORCAL Mutual Insurance  
Company  
San Francisco, CA

**Jennifer Farris**  
Zurich North America  
Schaumburg, IL

**Luce Giroux**  
EPIC Life Insurance  
Madison, WI

**Mary Graham**  
Plateau Insurance Group  
Crossville, TN

**Sarah Hamilton**  
National Teachers Associates Life  
Insurance Company  
Addison, TX

**Danita Harrison**  
Chubb & Son  
Warren, NJ

**Therese Hastry**  
Markel American Insurance Corp  
North Attleboro, MA

**Joanne Hendricks**  
MassMutual  
Springfield, MA

**Kevin Howe**  
Johnston, IA

**Patricia Ivey**  
United States Liability Insurance  
Group  
Wayne, PA

**Sarah Josselyn**  
Stonewood Insurance Company  
Raleigh, NC

**Amanda Kappler**  
Meadowbrook Insurance Group  
Southfield, MI

**Matt Kaulen**  
Nationwide Insurance Company  
Columbus, OH

**Michael Kern**  
New York Life Insurance Company  
New York, NY

**Jacqueline Lau**  
John Hancock Life Insurance  
Company  
Toronto, ON

**Louis Lee**  
Munich Reinsurance America, Inc.  
Princeton, NJ

**Catherine Luhtala**  
Liberty Mutual Insurance  
Wausau, WI

**Dayle Margeson**  
Safeco  
Seattle, WA

**Sheri Marston**  
NAIC  
Kansas City, MO

**Joel Meggs**  
John Hancock Life Insurance  
Company (USA)  
Toronto, ON

**Raissa Miller**  
James River Insurance Company  
Richmond, VA

**Kristina Mortensen**  
Great American Insurance  
Cincinnati, OH

**Kimberly Parsons**  
Nationwide Insurance  
Columbus, OH

**Brenda Pence**  
ACUITY, A Mutual Insurance  
Company  
Sheboygan, WI

**Cheryl Penn**  
Washington State Office of the  
Insurance Commissioner  
Olympia, WA

**Charles Petersen**  
The Norfolk & Dedham Group  
Dedham, MA

Deborah Piotrowski  
Erie Insurance Group  
Erie, PA

**Stacy Rinehart**  
Kansas Insurance Department  
Topeka, KS

**Heather Russell**  
State Auto Insurance  
Columbus, OH

**Jim Schaudel**  
NORCAL Mutual Insurance  
San Francisco, CA

John Scialabba  
Nationwide Insurance Company  
Columbus, OH

**David Siegel**  
The Siegel Firm  
Springfield, PA

**Neil Simons**  
NORCAL Mutual Insurance  
Company  
San Francisco, CA

**Lisa Smith**  
Brovada Technology  
Maple, ON

**Scott Snyder**  
Westfield Insurance  
Westfield Center, OH

**Scott Sorkin**  
Bland & Sorkin, PC  
Richmond, VA

**Fatima Stanger**  
NORCAL Mutual Insurance  
Company  
San Francisco, CA

**Steven Stephan**  
Surplus Lines Regulatory  
Consultants LLC  
Lake Winnebago, MO

**Stacy Stolen**  
American Family Insurance  
Madison, WI

**Truman Townzen**  
NORCAL Mutual Insurance  
Company  
Petaluma, CA

**Wade Wenger**  
Transamerica Life Insurance  
Company  
Cedar Rapids, IA

**Pippa Wick**  
Jewelers Mutual Insurance  
Company  
Neenah, WI

**Christine Williams**  
The Hartford  
Hartford, CT