



## ABIA Insurance News



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## ABIA's 2011 Annual Conference

### ■ 2011 ABIA Annual Conference to be held September 26-28 at the JW Marriott Hotel, Washington DC

Please watch this space for Information on the 2011 ABIA Annual Conference to be held September 26-28, 2011 at the JW Marriott Hotel, Washington DC.

Be sure to take advantage of participating in the premier event in the Bank Insurance Industry.

[Register for the 2011 ABIA Annual Conference](#)

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### ■ Keynote Speaker at the 2011 ABIA Annual Conference

Gov. Frank Keating, president and CEO of the American Bankers Association, will be the keynote speaker at the 2011 ABIA Annual Conference on September 26-28, 2011 at the JW Marriott in Washington, D.C. Keating became ABA's president and CEO following eight years of service as the president and CEO of the American Council of Life Insurers, and after serving two terms as Oklahoma's 25th governor.

The ABIA annual conference is considered the preeminent meeting for the bank-insurance industry and draws senior agency managers, bank-insurance program executives and service providers from banks and insurance companies of all asset sizes.

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## Compliance and Regulation News

### ■ Compliance Corner: FSOC Proposes Rule for Subjecting Nonbank Financial Companies, Including Insurance Companies, to Federal Reserve Oversight

The Financial Stability Oversight Council (FSOC) issued a proposed rule on January 26<sup>th</sup>, 2011 outlining the analytical framework it will use to determine whether a nonbank financial company, including an insurance company, poses a threat to the financial and economic stability of the United States and to subject such a company to supervision and regulation by the Federal Reserve. (76 Fed. Reg. 4555).

The Dodd-Frank Act provides several specific factors FSOC must consider when making its determination. The proposed rule's preamble outlines the following simplified framework for FSOC to evaluate a nonbank financial company's potential to disrupt the national economy:

- 1) Assess, in normal times, how vulnerable a company is to financial distress by considering its:
  - a) Leverage;
  - b) Liquidity risk and debt maturity mismatches that could cause cash flow problems; and
  - c) Existing regulatory scrutiny.
  
- 2) Assess, if the company were under financial distress, the potential for spillover to the broader financial system or economy by considering:
  - a) The company's size;
  - b) The lack of substitutes for financial services and products provided; and
  - c) The company's interconnectedness with other financial firms.
  
- 3) Assess any other risk related factor that it deems appropriate.

FSOC's proposed rule recognizes that the application of these factors must be tailored to consider specific risks and business models as they vary between industries, such as the unique aspects of an insurance company versus those of an investment brokerage company.

The proposed rule also: requires FSOC to notify a nonbank financial company when it is being investigated; provides information collection guidance; provides procedures for making a determination (i.e., majority vote in favor, including the chair); and provides appeal procedures that include a hearing with FSOC members that is appealable to a Federal District Court.

Comments on the proposed rule are due February 25, 2011. FSOC intends to begin assessing nonbank financial companies "shortly after adopting a final rule," and will continuously screen the market for potential targets, which currently include nonbank financial companies regulated by state insurance authorities.

Do you have further questions about this compliance issue? Other compliance questions you would like to see addressed? Please send your comments or questions to Valerie Barton at [vbarton@aba.com](mailto:vbarton@aba.com).

Articles in the Compliance Corner are provided for informational purposes only by ABIA's outside counsel McIntyre & Lemon, PLLC. They are not intended to be legal guidance. Readers should consult with legal counsel before implementing any requirements that are addressed.

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#### ■ **Update: Restore Online Shopper's Confidence Act**

The January 25th edition of the *ABIA Insurance News* included an article about the *Restore Online Shoppers' Confidence Act*. As promised in that article, the link below is to a memorandum from ABIA's legal counsel summarizing the new law.

If you have any basic questions about the law, please contact Valerie Barton ([vbarton@aba.com](mailto:vbarton@aba.com)), and she will coordinate with legal counsel to obtain a response.

[Read a Summary of the New Law](#)

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#### ■ **Update: New York Producer Compensation Disclosure Regulation**

Two state associations have filed a notice of appeal with the New York Supreme Court Appellate Division regarding New York Insurance Regulation 194, which requires agents and brokers to provide customers detailed information on compensation. The regulation went into effect on January 1, 2011.

The filing by the Independent Insurance Agents & Brokers of New York (IIABNY) and the Council of Insurance Brokers of Greater New York (CIBGNY) alerts the court that the associations intend to make a formal appeal to overturn a previous ruling that upheld the regulation. The associations hope their actions will eventually result in a repeal of Regulation 194.

A summary of the regulatory requirements is in the [November 16, 2010 issue of ABIA Insurance News](#).

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#### ■ **CRS Issues Report on Dodd-Frank Rulemaking Agenda**

The Congressional Research Service issued a report on upcoming proposed and final Dodd-Frank Act rules. The report also discusses the range of tools that Congress can use to oversee the rules that federal agencies will issue to implement the act.

[Read the report](#)

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## Educational Opportunities

#### ■ **Don't Miss the ABIA Sponsored Reagan Consulting Mergers & Acquisitions Workshop**



The banner features a collage of business-related images. A central blue-bordered box contains the text: "Agency Mergers & Acquisitions and Internal Perpetuation Workshop" and "May 1-3, 2011". Below the box, it says "Sponsored by:" followed by logos for Reagan Consulting (Strategy • Valuation • M&A), The Council of Insurance Agents & Brokers, and the American Bankers Association (an ABI member).

Join us for the industry's most respected M&A workshop!

This timely event uniquely addresses critical issues faced by buyers and sellers of insurance agencies – whether internally or in 3rd party transactions. Don't miss this opportunity to hear from a panel of the insurance industry's most active buyers and to learn from the M&A experts at Reagan Consulting.

You will gain valuable insights on how to avoid fatal deal-making mistakes and explore the latest trends on valuations, deal structures, acquisition financing, post-integration issues and other critical areas.

[View the Workshop Schedule](#)

Register today by visiting [www.reaganconsulting.com](http://www.reaganconsulting.com)

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#### ■ **Order Your Copy Today: 2010 ABIA Study of Banks in Insurance**

The **2010 ABIA Study of Banks in Insurance** presents the findings from our annual research of the current and planned insurance activities of U.S. banks. This management tool will help executives understand how the bank-insurance industry is developing, what strategies banks are pursuing, and what practices are producing successful bank-insurance programs.

The **2010 ABIA Study of Banks in Insurance** will include a **State of the Industry** review of the overall insurance distribution system and the current market positions of the banking industry. The review will include market share analysis, competitive advantages/disadvantages, emerging trends impacting the insurance distribution landscape and a bank-insurance income trend update.

Additionally, inside the *Study* you'll find data-driven update of practices, distribution activity, strategies and results of banks in insurance. You'll also learn about product trends and strategies and distribution strategies, results, asset category comparisons, and topical analysis. Includes an analysis of key issues related to bank-insurance, addressing the relevance of these findings to large banks and community banks.

**Topics covered include:**

- Current trends and best practices in effective integration of bank-insurance acquisitions.
- Key factors in successful negotiations.
- Production and service metrics.
- Trends in platform distribution.
- Bank Insurance Value Proposition.
- Best practices in bank insurance leadership.

[Order the Study](#)

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■ **Sign up online for 2011 ABIA Best Practice Panels!**

You can now sign up from your desk to participate in any or all of the nine ABIA Best Practice Panels by following this link: [https://www.aba.com/perseus/surveys/abia\\_bpp.htm](https://www.aba.com/perseus/surveys/abia_bpp.htm)

Alternatively, you can sign up by going to the ABIA website and clicking on the online registration link on the [Best Practice Panel page](#).

It is easy and convenient, so register today!

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■ **2010 Best Practice Panel Schedule**

**Agency Integration and Marketing Panel**

**Chair:** Valerie Jordan, Jordan and Jordan Associates

The teleconference calls will be every other month on first Monday (except July) of the month at 4:00 p.m. Eastern according to the following schedule:

May 2  
July 11  
No call in August  
September 26-28  
October 3

**Annuities Panel**

**Co-Chairs:** Jim Rensel, Sales Quality Research and Kenneth Kehrer, Kehrer-LIMRA LLC

The teleconference calls will be every other month on the 3<sup>rd</sup> Tuesday of the month at 3:30 p.m. Eastern according to the following schedule:

February 10 – Single Premium Life and Wealth Management Planning (joint call with Life Coverages)  
April 19  
July 19  
No call in August  
September 26 -28  
October 18

**Community Bankers Panel**

**Chair:** Terry Mead, Avon-Dixon Agency (ShoreBancshares) and Brian Duffy, RSI Insurance

The teleconference calls will be held quarterly on the 3<sup>rd</sup> Thursday of the month at 2:00 p.m. Eastern according to the following schedule:

May 12  
July 14  
September 26-28

October 13

**Compliance Panel**

**Co-Chairs:** Doug Harrison, BB&T Insurance

The teleconference calls will be held quarterly on Thursdays at 2:00 p.m. Eastern according to the following schedule:

April 7  
July 14  
September 26-28  
October 13

**Credit Insurance and Debt Cancellation Panel**

**Co-Chairs:** Ellen Myers, Xybernet, Inc.

The teleconference calls will be held quarterly on the 4<sup>th</sup> Thursday of the month at 3:00 p.m. Eastern according to the following schedule:

February 24 – Debt Cancellation Going Forward in 2011  
April 28  
July 28  
September 26-28 (Washington DC)  
October 27

**Direct Marketing Panel**

**Co-Chairs:** Dodi Iverson, DRIASI and Robert Dudacek, Wells Fargo Insurance

The teleconference calls will be held every other month on the 4<sup>th</sup> Tuesday of the month at 3:00 p.m. Eastern according to the following schedule:

March 8 – “Influence of Mobile Marketing in Direct Marketing Programs”  
April 28  
June 23  
September 26-28  
October 20

**Life Coverages Panel**

**Chair:** Kenneth Flynn, HSBC Insurance

The teleconference calls will be held quarterly on the 4<sup>th</sup> Thursday of the month at 1:00 p.m. Eastern according to the following schedule:

February 10 - Single Premium Life and Wealth Management Planning (joint call with Annuities Panel)  
May 12  
July 21  
September 26-28  
October 20

**P& C Panel**

**Co-Chairs:** Chris Boone, BancorpSouth Insurance and R. Michael Hedden, Bankers Insurance LLC

The teleconference calls will be held every other month on the 3rd Thursday of the month @ 1:00 p.m. Eastern according to the following schedule:

February 17 –New Issues of Flood Protection for the 2011  
May 19  
July 17  
No call in August  
September 26-28  
October 19

## **Reinsurance/Risk Management Panel**

**Co-Chairs:** Brian Green, Edwards Angell Palmer & Dodge LLP

The teleconference calls will be held quarterly on the 2nd Tuesday of the month @ 11:30 a.m. Eastern according to the following schedule:

March 9 – Surplus Lines Regulation: Non-admitted and Reinsurance Reform Act Implementation

May 11

September 26-28

November 22

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# Resources

For Information on **Government Relations** Contact Kevin McKechnie at [kmckechn@aba.com](mailto:kmckechn@aba.com)

For Information on **Insurance News** Contact Renee Galbraith at [rgalbrai@aba.com](mailto:rgalbrai@aba.com)

For Information on **Conference Questions** Contact Valerie Barton at [vbarton@aba.com](mailto:vbarton@aba.com)

For Information on **Dues and Publications** Contact Valerie Barton at [vbarton@aba.com](mailto:vbarton@aba.com)

For Information on **ABIA Best Practices Panel** Contact Mike Polychrones at [mpolychr@aba.com](mailto:mpolychr@aba.com)

For more information on **ABA Careers** visit the Job Resume Bank at

[http://aba.careerbank.com/home/index.cfm?site\\_id=8220](http://aba.careerbank.com/home/index.cfm?site_id=8220)

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