



NAIC 2005 Fall Meeting Cancelled

In an announcement dated August 31, 2005, the officers and members of the National Association of Insurance Commissioners (NAIC) advised that the association decided to cancel its Fall National Meeting. The meeting was scheduled for September 10–13 in New Orleans. Approximately 1,500 insurance regulators, industry representatives, and interested parties had registered to attend the conference.

The NAIC has delivered \$27,000 to the American Red Cross Special Hurricane Fund to assist with recovery efforts from Hurricane Katrina.

In her announcement, NAIC President Diane Koken stated, “The first priority for all insurance commissioners is responding to disasters. Our hearts go out to our colleagues who are trying to recover from the devastation of Hurricane Katrina,” she continued. “The NAIC and our members pledge our unified support in helping insurance consumers restore their lives after this unparalleled catastrophe,” she added.

A survey of NAIC members was conducted to reach this agreement. The NAIC membership agreed to cancel the meeting and continue committee work

through conference calls. The NAIC has scheduled an interim meeting in October with only essential and time-sensitive groups convening. Because regulators are used to conducting telephone conference calls, the NAIC does not expect any interruption of its business.

The NAIC Winter National Meeting is scheduled for December 3–6 in Chicago, Illinois. ■

Upcoming Regulatory & Legislative Section Event

During the NAIC’s 2005 Winter National Meeting in Chicago, Illinois, the section, in conjunction with the NAIC’s Property and Casualty Insurance Committee, will host a panel discussion on risk retention groups. Initially scheduled for March 2005, this event has been delayed pending the release of a report by the Government Accountability Office (GAO). The GAO released its final study on September 14, 2005.

There has been much controversy recently about risk retention groups. The insolvency of a major risk retention group that wrote contractual liability that insured auto and property warranties or service contracts issued by dealers or builders has left many contract holders without benefits or remedies. In addition, the GAO was asked by Congress to evaluate how the Liability Risk Retention Act (LRRRA) is performing. There are also some areas of contention among states regarding risk retention groups. There is

at least one instance where one state has disagreed with another state’s finding that a particular group is a risk retention group. The issue related to a finding by the other state that the risk retention group’s members were not involved in a related business consistent with the requirements of the LRRRA. In addition, section member Cliff King (NV) surfaced an issue where a Nevada risk retention group was facing a cease-and-desist order and was able to avoid it by changing its domicile to another state. All of this controversy should lead to a very interesting session where interested persons can learn about risk retention groups and gain some insight into how they are regulated. Watch for further details.

We look forward to your attendance at this educational event. It is tentatively scheduled for the morning of Saturday, December 3, 2005. ■

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Insurers and Regulators React to the Devastation Caused by Hurricane Katrina

by Eric C. Nordman, CPCU, CIE



■ **Eric C. Nordman, CPCU, CIE**, is director of research with the National Association of Insurance Commissioners.

Hurricane Katrina is perhaps this nation's most devastating natural disaster. The estimates regarding the extent of insured losses continue to vary widely. Risk Management Solutions (RMS) estimates insured losses to be between \$40 billion and \$60 billion. Applied Insurance Research (AIR) estimates insured losses to be between \$17 billion and \$25 billion. EgeCat estimates insured losses to be between \$14 billion and \$22 billion. Only time will tell which is most accurate. It is important to note that these estimates appeared on the web sites of the three catastrophe modelers on September 11, 2005. They are sure to change. All generally agree that it will be the most expensive hurricane in U.S. history. The purpose of this article is to provide a brief update on the status of the efforts of insurance regulators and insurers to address the needs of citizens impacted by Hurricane Katrina.

Status of Affected States

Alabama

Commissioner Walter A. Bell reported that the Alabama Department of Insurance is operating under its Disaster Response Plan. The Department of Insurance is coordinating with the

Governor's Office, the Alabama Emergency Management Agency, other state and federal agencies, and the major insurers to make sure that Alabama citizens are taken care of in a prompt and fair fashion. Plans call for the Department of Insurance to send employees out in the field once FEMA opens its disaster centers.

Commissioner Bell said the first priority was to make sure adjusters were properly credentialed to enter affected areas. Remote adjuster-credential operations will be based in Baldwin and Mobile counties shortly.

Commissioner Bell said he will adjust the department's operating hours as necessary once the volume of inquiries increases. The department is fully staffed. Issues faced by the department include shortages of gasoline and limited access to certain disaster areas. These have generally abated, and insurers are beginning to settle claims. In particular, they are already delivering checks for additional living expenses.

Those who have evacuated Hurricane Katrina-stricken areas and found themselves in Alabama can call the Alabama Department of Insurance if they have questions regarding their insurance policies or how to file claims. The department can be contacted at (800) 433-3966 or (334) 269-3550 for general insurance-related questions. If a person is able to get online, the department's web site is located at www.aldoi.gov. Under the "Hurricane Claims Info," there is a list of dozens of insurance companies' claims hotlines. Also listed are numbers for Louisiana and Mississippi.

The department is contemplating the issuance of regulations or orders that address the issues that are listed for Louisiana. Commissioner Bell plans to have the Alabama orders consistent with the directives issued in Louisiana and Mississippi. He noted that insurers have already voluntarily implemented many of

the measures that will be covered by the orders.

Florida

Florida Commissioner Kevin McCarty reports that losses in Florida from Hurricane Katrina were mild in comparison to the other affected states. He expects that insured losses will be less than \$1 billion with fewer than 25,000 claims. Florida has much experience in handling disasters, and has a lot of information on its web site www.fldfs.com. Commissioner McCarty and his staff have served as a resource for the other three states that are not exposed as often to hurricane losses.

Florida's Chief Financial Officer Tom Gallagher issued an emergency rule to prevent the victims of Hurricane Katrina from becoming the victims of price gouging by public insurance adjusters. In addition to limiting fees, the rule contains other consumer protections for victims who may consider contracting with public adjusters. The new rule caps public adjuster fees at 10 percent of the claim payment; gives the consumer 14 days to cancel a contract made with a public adjuster without penalty; and prohibits public adjusters from demanding any up-front payments or compensation prior to final settlement of the claim. Gallagher also warned Floridians to make sure they are dealing with a licensed public adjuster. The Division of Insurance Fraud arrested seven individuals last year for acting as public adjusters without a license. To check on the license status of an adjuster agent or company, consumers should visit www.fldfs.com, and click on "Verify Before You Buy," or call the Department of Financial Services Helpline at (800) 342-2762.

Louisiana

Commissioner J. Robert Wooley has staffed the insurance department from 7 a.m. to 7 p.m., seven days a week. He has received authorization from the governor to hire 75 additional staff to help with the disaster aftermath. After

facing logistical challenges during the first few days following the hurricane, most department employees are reported to be on the job. Communication has been spotty, but is improving and access to gasoline was a problem during the first few days after the storm.

On August 26, 2005, Governor Kathleen Babineaux Blanco declared the existence of a State of Emergency within Louisiana caused by Hurricane Katrina. The commissioner has developed four documents that will be promulgated either as emergency rules or directives. One deals with property insurance, another with health insurance, a third with public adjusters, and a fourth with producer licensing. The property insurance document suspends the application of time limits contained within insurance policies; prohibits cancellations and nonrenewals; prohibits cancellations based solely on Hurricane Katrina damages, prohibits rate increases until January 1, 2006; requires insurers to use a specified notice in communications with policyholders; and specifies penalties that would be applied for noncompliance. The health insurance document asks insurers to waive restrictions related to out-of-network access to health insurance benefits; asks insurers to reimburse at the highest contracted reimbursement rate; suspends cancellation and nonrenewal provisions; suspends several timely payment provisions; suspends physician credentialing requirements; and specifies penalties that would be applied for noncompliance. The public adjuster document addresses the need for public adjusters to register with the Insurance Department and prohibits payment of contingency commissions to public adjusters. The final document suspends continuing education requirements for insurance producers and extends producer licenses for a year. The orders will apply to the seven parishes most impacted by the hurricane.

According to catastrophe modeler Applied Insurance Research, of the more than \$500 billion of insured property in the state of Louisiana, more than 35 percent is in coastal counties

impacted by Katrina. It is too soon for loss estimates to be considered accurate, as adjusters and catastrophe modelers have not been granted access to much of the area to assess the extent of the insured loss.

Mississippi

Commissioner George Dale reports Hurricane Katrina hit Mississippi very hard. The Mississippi Insurance Department has set up a special out-of-state-only toll-free number so those residents of Mississippi who have been displaced to other states by Hurricane Katrina may contact the department for assistance regarding insurance matters. The number is (866) 856-1982 and will be operational for the next 30 days. The department offices will be open extended hours from 7 a.m. to 7 p.m. Consumers may call (800) 562-2957 (in-state) or (601) 359-2453.

Commissioner Dale said the insurance department has contacted the insurance industry to be sure they were getting ready for the storm, and had sufficient resources and staff to handle any damage. However, Commissioner Dale says he did not think anyone could foresee or predict the severity of the damage that is observed in Mississippi. The insurance companies are ready to send in catastrophe loss teams as soon as they are allowed in. However, in many of the more heavily damaged areas, search-and-rescue missions are ongoing, looking for survivors. Commissioner Dale reported that numerous local insurance company offices have damage and may be without electricity. All of the insurance companies are ready to bring whatever staff is needed to ensure that all claims are promptly and properly handled. The Mississippi Insurance Department will be setting up emergency offices where needed throughout Mississippi.

Mississippi has hundreds of thousands of consumers without electricity, water, and phones. Also, gasoline shortages have been a problem, although the intensity of the shortages has declined in recent days. Southern Mississippi residents have been encouraged to check with law

enforcement officials to ensure access to the impacted area before attempting to return to their homes and businesses.

The Atlanta Meeting

Commissioners Walter A. Bell (AL), Kevin McCarty (FL), John Oxendine (GA), J. Robert Wooley (LA) and Diane Koken (PA) attended a meeting on September 7, 2005, that was hosted by Commissioner Wooley. A crowd of roughly 500 people discussed the devastation wrought by Hurricane Katrina and insurance regulators' plans to deal with its aftermath. Some time was spent discussing Louisiana's draft emergency rules or directives. Draft emergency rules or directives were distributed, and comments from interested parties were due on September 12, 2005. The Louisiana Department of Insurance planned to issue final emergency rules or directives by September 16, 2005.

Insurance regulators informed insurers regarding what is expected of them. The regulators discussed issues that are expected to arise as displaced persons begin to get their lives back in order and prepare to submit insurance claims. It was noted that disputes could be expected regarding whether a loss was caused by wind or flood. Insurers were encouraged to use a single adjuster to settle both property and flood insurance claims where possible. Insurers were encouraged to make advance payments to policyholders, particularly for the additional living expenses portion of policies. Insurers were encouraged to not cancel or nonrenew policies while the disaster is ongoing. They were informed that the state regulators would soon be issuing emergency regulations, directives, bulletins, or guidelines that provide some uniformity to the request. Insurers were put on notice that claims handling should be as expeditious as possible considering the limitations that everyone is facing. Limitations on the use of public adjusters were discussed, and insurers were notified that public adjusters must be registered

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Insurers and Regulators React to the Devastation Caused by Hurricane Katrina

Continued from page 3

or licensed depending on state-specific requirements. Health care coverage was discussed, and insurers were encouraged to waive restrictions related to out-of-network access to health insurance benefits; to reimburse at the highest contracted reimbursement rate; and to suspend cancellation and nonrenewal provisions.

David Maurstad and Edward Connor represented the National Flood Insurance Program (NFIP) at the Atlanta meeting. They discussed coordination regarding claims, and agreed to encourage the use of a single adjuster for claim settlement. Maurstad reported that preliminary claim counts for Hurricane Katrina stand at 85,000—more than the NFIP experienced in all of 2004. He advised that there are 250,000 flood policies in Louisiana, and most of them are expected to submit claims. Advanced payments of \$3,000 have been authorized on contents coverage. He committed to working together with insurance regulators to see that consumers receive the benefits to which they are entitled.

States Working Together

States have been working together in a variety of ways. The state of Florida has been very helpful to other states that have not experienced frequent natural disasters. Commissioner McCarty has been in close contact with Alabama, Louisiana, and Mississippi regarding steps that Florida has taken to address past hurricanes. This has led to a consistent approach to addressing consumer issues, dealings with insurers, treatment of public adjusters, and communications.

A number of other states have provided housing to displaced individuals and families that have been forced to evacuate areas damaged by Hurricane Katrina or the subsequent flooding in Louisiana. In addition to welcoming these victims with open arms, assistance has been provided with regard to insurance matters.

To provide a consistent approach, the state insurance regulators through the National Association of Insurance Commissioners (NAIC), have reached agreement on a number of fronts. NAIC members held a conference call on September 8, 2005, and agreed to implement a number of measures to assist the insurance industry in its efforts to serve insurance consumers. The significant measures adopted during the call are:

- The state insurance regulators agreed to implement a common data call to collect information from insurers regarding the number of claims and projected losses by county or parish. The regulators agreed to use the format developed by Florida for collecting information on previous hurricanes. Thus, insurers should receive only one data call related to their hurricane losses.
- The state insurance regulators agreed to implement a common system for collecting consumer complaints and transmitting them to insurers for resolution. Details on this system will be worked out over the next couple of weeks. A system developed by Florida will be used as a prototype. A committee was formed to quickly reach agreement on details of the system.
- The state insurance regulators agreed to implement a common form that will be used to interview evacuees. It will contain common questions designed to help consumers recall the types of benefits they are receiving so that the payment flow can be restored. This would include disability income payments, pensions, workers compensation benefits, annuities, Social Security, and other periodic payments. Another form will contain a household inventory sheet (and a separate business inventory sheet) that will assist consumers in identifying what has been lost. A small committee was established to quickly develop these forms.

- The state insurance regulators agreed to develop a manpower needs database that matches state manpower shortages with corresponding offers of assistance from other states. States, as with past disasters, have generously offered to provide manpower to assist those states with critical manpower needs. The four states do not need extra help during the search and rescue phase; however, staffing needs could change quickly and drastically as people begin to think about and submit insurance claims. NAIC staff has been working on the database and it should be available shortly.
- Since volunteers might be used, the volunteers need to be able to explain to claimants how state auto insurance, property insurance, and other laws work. Therefore, states agreed to compile information about state-specific requirements. These requirements will be housed in a chart that will allow a regulator from a non-disaster state to advise consumers from one of the four disaster states in a useful and consistent manner. Work has begun on the chart.
- The NAIC has reserved a toll-free number that can be activated at any time. This number, if it becomes necessary, will serve as a backup that would allow states to assist each other. Two possible processes are being considered to implement it. First, the number could automatically route a call to a state that has volunteered manpower for the number. The person answering the phone would determine which state's laws would apply to a claim and use the requirements chart to advise the caller. If the question became too complicated, the responder would refer the call to the appropriate state regulatory expert. The second possibility would use NAIC staff to answer the calls and refer them to state volunteers for resolution.

- The state insurance regulators agreed to coordinate the issuance of emergency regulations, directives, bulletins, and other guidance to insurers and public adjusters for a consist approach, within the existing regulatory frameworks.
- The state insurance regulators agreed to convene an industry task force that will serve as single point of communication between the regulators and the insurance industry.
- The state insurance regulators agreed to implement a common system for granting limited access permits, to the extent allowed by state law. This program would be based on the successful credentialing program implemented by Florida.
- The states agreed to work collaboratively on anti-fraud efforts to protect citizens from becoming victims a second time to scam artists.

States Working with the Federal Government

State regulators have been working with the National Flood Insurance Program to minimize the disputes that might arise in sorting out which part of a claim is attributed to perils covered by property insurance and which part is attributed to flooding. David Maurstad and Edward Connor represented the NFIP at the Atlanta meeting. NAIC staff has been communicating with the NFIP frequently. The NFIP has posted consumer hotline numbers of the affected states on its web site. The NAIC and states have posted information on how to contact the NFIP on their web sites. The NFIP has provided electronic copies of many documents used to settle flood insurance claims so that state regulators are able to provide them to claimants.

State regulators have stationed employees at some FEMA disaster sites to help people with insurance matters. More regulators will be stationed in the field as displaced persons become more settled and start to think about submitting insurance claims.

The NAIC has been an active participant in the Financial and Banking Information Infrastructure Committee (FBIIC) calls. Led by New York, and with Alabama, Florida, Louisiana, and Mississippi represented, the NAIC has reported daily on the status of disaster recovery matters. Data runs have identified insurers with offices in harm's way, and steps have been taken to assure that these insurers have adequate back-up facilities to allow them to serve their customers. This is a work in progress, however, almost all insurers are able to operate to serve the needs of their customers. The same cannot be said for insurance producers. Many of them have had their offices destroyed. Efforts are under way to evaluate the extent of this problem.

Service to Insurance Claimants

Insurers are in the business of accepting risk transfers for a fee. They are occasionally called upon to make good on the promises that they make in a big way. Hurricane Katrina presents them with an opportunity to deliver on those promises. All of the major carriers have skilled disaster recovery teams on the scene in all states. Adjusters are in the field and cutting checks for additional living expenses already. Many hard-hit areas are not accessible to claims adjusters yet. As civil authorities allow access to these devastated areas, the insurer claims adjusters are ready to act. There have been several challenges to efficient operation of the claim settlement process. Access to fuel has hindered some efforts. Finding housing for claims adjusters has also been challenging in many areas. Insurers and insurance regulators are working through those difficulties now. Lack of identification has also been a problem for claimants. Insurers have been very liberal in responding to these concerns. They have worked with financial institutions to help them identify those attempting to cash checks.

What Can the Federal Government Do to Help?

While the claims made to insurers will

be substantial, the economic loss that is uninsured will be much greater than the insured portion. In addition, there will be many displaced persons that are either uninsured or inadequately insured. Rising waters damaged many people not living in flood plains. Since the flood peril is not generally covered by property insurance, many of these people will be without recourse. There is already public debate about the federal government's role in helping these people.

In the near future, a serious public policy debate needs to occur on how best to manage mega-catastrophes. As bad as Hurricane Katrina was, it could have been much worse. If Hurricane Katrina maintained Category 5 status as it came on shore and struck New Orleans directly, the damage would have been much worse and the loss of life would have been beyond belief. Modelers can construct catastrophe models for numerous events—both natural and man-made—that would seriously affect the insurance industry's ability to manage its other risk management responsibilities. The debate needs to consider at which point a loss becomes so big that it exceeds the insurance industry's capacity to cover it. The NAIC has a plan to deal with mega-catastrophes. The NAIC is also actively looking into the policy issues that affect the ability of the insurance companies to remain solvent in catastrophes. One such area is the federal government's tax policy with regard to a catastrophe reserve. Current tax law does not encourage individual insurers or the insurance industry to set aside monies for future mega-catastrophe losses.

Conclusion

This is only the first chapter of many more to come. Watch this newsletter for future articles on the aftermath of this devastating event. As this article goes to press, Hurricane Rita is threatening the gulf coast states. This effort to coordinate regulatory activities among states is crucial to insurers and consumers as these regulatory efficiencies will make it easier for all to deal with the aftermath of these catastrophic storms. ■

Regulators Say Insurance Industry Is Prepared for Hurricane Katrina's Cost

In a release dated September 2, 2005, the National Association of Insurance Commissioners (NAIC) says that while the damages from Hurricane Katrina may set record losses, the property and casualty industry maintains the adequate capital and liquidity required to withstand claims arising from one of the most devastating natural disasters in U.S. history.

Presently, the U.S. property and casualty industry maintains policyholders' surplus of roughly \$390 billion, and holds assets in excess of \$1.3 trillion. State insurance regulators require insurers to maintain minimum levels of surplus to absorb the volatility inherent in property and liability policy coverages. More than 75 percent of the industry's assets are held in marketable securities.

Helping assure the solvency of the insurance industry is a primary focus of state insurance regulators. As with past disasters, state financial analysts are well underway to assess the financial and operational impact of insurers affected by Hurricane Katrina. Working through the NAIC, states will be sharing assessments of financial strength of individual insurers, and coordinating the appropriate actions to help ensure claims are paid in accordance with the contracts that insurers have issued.

"These financial results demonstrate that insurers are up to the task of making good on the promises that they have made to American businesses and consumers through their insurance policies," said Diane Koken, NAIC president and Pennsylvania insurance commissioner. "Some smaller insurance companies may experience financial distress, but the overall condition of the industry should remain healthy."

Advancements in computer catastrophe simulation modeling used in recent years have assisted insurers in evaluating expected loss costs from major natural catastrophes like earthquakes, hurricanes, and tornadoes. "Over the last decade, insurers have become more sophisticated in their ratemaking techniques," said Tim Wagner, NAIC chair of the Property and Casualty Insurance Committee and Nebraska insurance director. "In place of historical claims data that insurers traditionally used to price for catastrophic events, computer simulation models are used to develop estimated loss costs associated with catastrophic events, including hurricanes.

Rates are determined using a state's historical loss data for most perils covered by homeowners or other property insurance products with a factor added for catastrophic losses. As a result, most states should not see homeowners and other property insurance rates rise substantially as a direct result of Hurricane Katrina.

Early estimates place insured losses attributable to Katrina in excess of 1992's Hurricane Andrew, greater than any other U.S. hurricane event. These losses will be averaged over a long period of time (typically 30 to 50 years for property insurance) and reflect estimated catastrophe costs. Since insurance rates already include a factor that reflect losses from catastrophes, like Hurricane Katrina, the NAIC does not expect property insurance rates to be significantly affected. It should be noted, however, that loss information from Hurricane Katrina would be added to the bank of knowledge used by catastrophe modelers. This might cause a change in expected loss costs for the gulf coast states. ■

Regulatory & Legislative Section Develops Annual Meeting Seminar

State Modernization and Regulation Transparency (SMART) Act

Monday, October 24
1:30 – 3:30 p.m.

Visit

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Get Your Career in Gear

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Welcome Kathleen J. Robison, CPCU, CPIW, ARM, AU



■ **Kathleen J. Robison, CPCU, CPIW, ARM, AU**, has more than 30 years of experience with leading claims organizations, and possesses a wide range of commercial and personal insurance coverage knowledge and applicability. K. Robi & Associates, LLC, which she founded in 2004, provides customized consultant services in the property and casualty insurance fields, including expert witness testimony, litigation management, claims and underwriting best practices reviews/audits, coverage analysis, and interim claims management.

She can be reached at (423) 884-3226 or (423) 404-3538; or at info@krobiconsult.com.

Please welcome **Kathleen J. Robison, CPCU, CPIW, ARM, AU**, to the Regulatory & Legislative Section Committee. To help you get to know her and how she is contributing to the section, this article describes her background and touches on a few of her accomplishments.

Robison is a dedicated property and casualty insurance professional with significant management experience throughout the United States and Canada. With more than 30 years of experience, she has a proven track record of leading claims organizations dedicated to industry best practices. Having worked for multiple companies, Robison possesses a wide range of coverage knowledge

and applicability from large specialized commercial to main street business to standard and non-standard personal auto as well as homeowners insurance.

She formed K. Robi & Associates, LLC in June 2004. K. Robi & Associates, LLC provides customized consultant services in the property and casualty insurance fields. Services offered are: expert witness testimony, litigation management, claims and underwriting best practices reviews/audits, coverage analysis, and interim claims management.

Prior to forming K. Robi & Associates, Robison served as vice president, claims and operations at DaimlerChrysler Insurance Company from 1994 to 2004. There she was responsible for claims, litigation management, underwriting processing, and systems throughout the United States and Canada. Through innovative defense contracts and litigation management techniques, DCIC experienced reduced legal fees, increased closure rates, and stabilized average payouts. By creating a hotline for insured employers, incorporating loss control techniques and a unique national defense approach, the Employment Practices Liability claims' pay outs were below industry average.

She led DCIC to ISO 9001 certification through process design and documentation. Some examples are a catastrophe adjusting process, which resulted in a nationwide 24-hour onsite service with prompt pay outs; claims and underwriting best practices reviews/audits utilized in house, at managing general agencies and third-party administrators; new business review and implementation process to insure rapid product development.

Robison has also held the position of vice president of claims for Bankers & Shippers, a subsidiary of Travelers specializing in non-standard auto and property. There she established a Special Investigative Unit. She was vice president of claims at Tri-State Insurance Company, a member of the W.R. Berkley Group concentrating on grain elevators

and schools in the midwest. While at Tri-State she received the ARM designation and was named National Claims Woman of the Year by the NAIW.

While at Citizens Insurance Company of America she earned her CPCU and AU as she progressed from claims supervisor, claims branch manager, claims administration and training manager to claims manager of branches.

She acquired a solid insurance foundation in the early stages of her career as a loss taker for State Automobile Mutual Company, desk adjuster for INA, adjuster for Dairyland Insurance, and a field adjuster for Sentry.

Coupled with her progressive insurance management and wide breadth of insurance experiences, she has served on numerous national insurance boards and associations. Currently she is on the CPCU Society's Board of Governors after serving on the Budget & Finance Committee and chairing the Claims Section Committee. She is a past chairman and vice chairman for the former NAIL, now the PCIA. When serving on the NICB Board of Governors she assumed additional duties on the data transmission team when moving the NICB data to ISO. She has also been on ISO's Claims Advisory Council and the Arbitrations Forums Board.

Robison has a B.A. from Western College; studied at the graduate level at the University of Illinois and Miami University; and completed numerous executive courses at the University of Michigan, Wharton Business School, Salve Regina University, and the CPCU Society's National Leadership Institute.

Welcome, Kathleen. The Regulatory & Legislative Section Committee can certainly benefit from your vast experience and record of outstanding service to the CPCU Society. ■

NAIC Announces Online Fraud Reporting System

Now Available to Industry and Consumers to Report Suspected Fraud

On September 15, 2005, the National Association of Insurance Commissioners (NAIC) announced that it had released an enhanced online fraud reporting system. Mindful of the goal to obtain uniformity in insurance regulation, address concerns expressed by the industry, and ultimately, to protect consumer interests, the NAIC has developed a central online location to report suspected fraud. The NAIC Online Fraud Reporting System (OFRS) for Industry is now available on the NAIC Web site (www.naic.org). Consumers may also report suspected fraud from the same location, and may do so anonymously.

Forty jurisdictions, including the District of Columbia, are currently accepting reports of suspected fraud from both consumers and the industry through the new NAIC system. Additional states are expected to use the system in the next few months. If one wishes to report to one of the 11 jurisdictions not currently using the NAIC system, they will be directed to those states' reporting format via the NAIC system.

For those working in the insurance industry, to utilize the NAIC Online Fraud Reporting System you will need to know your NAIC Company Code (CO-Code) or the code of the company you

are reporting on behalf of, in addition to the following information:

- **Reporting Person**—your contact information.
- **Subject**—the person suspected of fraud.
- **Claim**—the information that was provided with the insurance company.
- **Fraud Type**—the classification of the fraud allegedly committed.
- **Fraud and Investigation**—detailed information about the fraudulent activity and the status of any current investigations.
- **Involved Party**—any person that has information regarding the fraudulent activity.

To use the system, a person's computer must meet certain minimum standards. The application is designed for personal computers running one of the Windows 98/NT/2000/XP operating systems using one of the Internet Explorer 5.x through 6.x or Netscape Communicator/Navigator 6.x through 7.x browsers. The browser must support Javascript 1.2 and it must be set to allow the saving of cookies on the computer. ■

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