The FIO Report on insurance regulation
Looking beyond the cover

Beyond first impressions: The FIO report

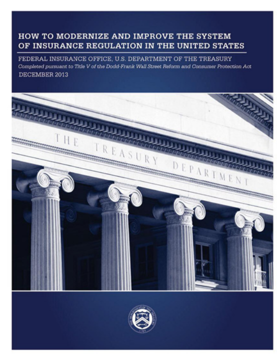
The December 2013 issuance of the Federal Insurance Office (FIO) report, *How to Modernize and Improve the System of Insurance Regulation in the United States*,[1] may in hindsight be regarded as more momentous an occasion for the industry and its regulation than the muted initial reaction might suggest. History's verdict most likely will depend on the effectiveness of the follow-up to the report by both the Executive and Legislative branches, but current trends in financial services regulation may serve to increase the importance and influence over time of the FIO even in the face of inaction in Washington.

After the financial crisis of the second half of the last decade, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), which aimed in part to monitor and manage the financial sector and the financial risk to the economy in order to reduce the possibility of a systemic shock. Signed into law by President Obama, Dodd-Frank's Title V created the FIO, a new federal organization within the Department of the Treasury that would, among other goals, provide federal expertise in and monitoring of the insurance industry and insurance regulation.

Insurance regulation has traditionally been the near-exclusive province of the states, a right jealously guarded by the states and secured by Congress in 1945[2] after the Supreme Court ruled insurance could be regulated by the federal government under the Commerce Clause of the Constitution.[3]

Any fear that the FIO report would call for an end to state regulation proved unfounded, but industry members might be well-advised to prepare for the eventualities that may result as the FIO uses both the soft power of the bully pulpit and the harder power of the federal government to achieve its aims. As the designated U.S. insurance representative in international forums that more and more mold financial services regulation, and as an arbiter of standards that could be imposed on the states, the potential impact of the FIO and this report should not be ignored.

Having met with the FIO's leadership team, we believe there are concerns that uniformity at the state level cannot be achieved without federal involvement. We further believe the FIO plans to work to translate its potential into an actual impact in the near future, making a clear-eyed understanding of the report and what it may herald for insurers a prudent and necessary step in regulatory risk management.



Michael McRaith

Deloitte met with Michael McRaith, Director of the Federal Insurance Office (FIO), pictured above, and the rest of the FIO leadership team to discuss the FIO report.

[1] http://www.treasury.gov/initiatives/fio/reports-and-notices/Documents/How%20to%20Modernize%20and%20Improve%20the%20System%20of%20Insurance%20Regulation%20in%20the%20United%20States.pdf

[2] McCarran–Ferguson Act, 15 U.S.C. §§ 1011-1015

[3] United States v. South-Eastern Underwriters Association, 322 U.S. 533 (1944)

The concerns

The biggest surprise about the FIO report may well have been that there were no surprises. There were no strident calls for a wholesale revamp of the regulatory system, and praise for the state regulatory system was liberally mingled among the criticisms.

The lack of any real blockbusters in the details of the FIO report may seem to lend implicit support to those who foresee a continuation of the status quo in insurance regulation, taken as a whole, this report and the regulatory atmosphere in which it has been released should be considered a subtle warning of changes that may yet come.

The report may quietly help to usher in an acceleration of the current evolution of insurance regulation. The end result could be a regulatory climate that offers more consistency and clarity for insurers and reduces the cost of regulation. It could also be a regulatory climate that offers more stringent regulatory requirements and increases both the cost of compliance and capital requirements. Most likely, it could be a hybrid of both.

Either way, preparing to influence and cope with any possible changes portended in the report would be preferable to ignoring the portents.

Part of the disconnect between the short-term reception and the long-term impact of this report may be due to the implicit FIO recognition in the report of the lack of political will needed to enforce any real changes in current U.S. insurance regulation, most especially any that would require increased expenditures or personnel at the federal level. In our current economic and political environment, plugging gaps in state regulation by using measures that would require federal dollars may probably quite reasonably be construed to be off the table.

But the difference between identified problems and feasible solutions may offer an opportunity. States, industry, and other stakeholders could act together to bring needed reform to the insurance regulatory system in a way that adds uniform national standards to regulation, reduces the possibility of regulatory arbitrage, and maintains the national system of state-based regulation, all while recognizing the industry's strengths and needs and not burdening the industry with unnecessary onerous regulation.

There is much to praise in the current state regulatory system. A generally complimentary federal report on the insurance industry and the fiscal crisis of the past decade noted, "The effects of the financial crisis on insurers and policyholders were generally limited, with a few exceptions…The crisis had a generally minor effect on policyholders…Actions by state and federal regulators and the National Association of Insurance Commissioners (NAIC), among other factors, helped limit the effects of the crisis."[4]

While the financial crisis demonstrated the effectiveness of the current insurance regulation in the United States, it is also evident that, as in any enterprise, there are areas for improvement. There are niches within the industry – financial guaranty, title, and mortgage insurance come to mind – where regulatory standards and practices have proven less than optimal.

There are also national concerns that affect the industry. The lack of consistent disciplinary and enforcement standards across the states for agents, brokers, insurers and reinsurers is one obvious concern. Similarly, the inconsistent use of permitted practices and other solvency related regulatory options could lead to regulatory arbitrage. At a time when insurance regulators in the United States call for a level playing field with rivals internationally, these regulatory differences represent an example of possible unlevel playing fields at home that deserve regulatory attention and correction.

A Bloomberg News story in January 2014, for example, quoted one insurer as planning to switch its legal domicile from one state to another because the change would allow, according to a spokeswoman for the company, a level playing field with rivals related to reserves, accounting and reinsurance rules.[5]

For insurers operating within the national system of state-based regulation, one would hope that that level playing field would cross domiciles, and no insurer would be disadvantaged because of its domicile in any of the 56 jurisdictions.

But perhaps one of the greatest challenges to the state-based system of regulation is the added cost of that regulation, partly engendered by duplicative requests for information and regulatory structures that have not been harmonized among states. How to respond to that may represent the biggest gap in the FIO report. It may also be the biggest opportunity for both insurers and regulators to rationalize the current regulatory system and ensure the future of state-based regulation.

[4] INSURANCE MARKETS:
Impacts of and Regulatory Response to the 2007-2009 Financial Crisis; GAO-13-583, U.S. Government Accountability Office Report to Congressional Requesters, June 2013

[5] Symetra Life Unit Follows Harbinger Insurer in Iowa Shift, by Alexandria Baca, Bloomberg News, Jan. 14, 2014;
http://www.bloomberg.com/news/2014-01-14/symetra-life-unit-follows-harbinger-insurer-in-iowa-shift.html

Cost

"Regulation at the federal level would improve uniformity, efficiency, and consistency, and it would address concerns with uniform supervision of insurance firms with national and global activities." – FIO report

The FIO report notes that the cost per dollar of premium of the state-based insurance regulatory system “is approximately 6.8 times greater for an insurer operating in the United States than for an insurer operating in the United Kingdom." It quotes research estimating that our state-based system increases costs for property-casualty insurers by $7.2 billion annually and for life insurers by $5.7 billion annually.

According to the report, "regulation at the federal level would improve uniformity, efficiency, and consistency, and it would address concerns with uniform supervision of insurance firms with national and global activities."

Yet the report does not recommend the replacement of state-based regulation with federal regulation, but with a hybrid system of regulation that may remain primarily state-based, but does include some federal involvement.

At least one rationale for this is clearly admitted in the report. As it says, "establishing a new federal agency to regulate all or part of the $7.3 trillion insurance sector would be a significant undertaking ... (that) would, of necessity, require an unequivocal commitment from the legislative and executive branches of the U.S. government."

The end result of that limitation is a significant difference between diagnosis and prescription in the FIO report. Having diagnosed the cost of the state-based regulatory system as an unnecessary 13 billion dollar burden on policyholders, the FIO's policy recommendations may possibly be characterized as, for the most part, the policy equivalent of "take two aspirin and call me in the morning."

Still, as the Dodd-Frank Act showed, even Congress can muster the will to impose regulatory solutions if a crisis becomes acute enough and broad enough. Unlikely as that may now seem, the threat of federal radical surgery should not be what is required for states to move toward addressing the recommendations of the FIO report.

Indeed, actions of the NAIC over the past few years have addressed much of what is in the FIO report. Now the NAIC, industry and other stakeholders can take the opportunity provided by the report to work to resolve some of the issues identified therein. The possible outcome of an even greater federal reluctance to become involved in insurance regulation would only be a side benefit. The real goal should be a regulatory system that is more streamlined, less duplicative, more responsive, more cost-efficient, and more supportive of innovation.

Producer licensing and Market Conduct regulation

Producer licensing and market conduct regulation may be considered related, in that it is difficult to see any justification for the current fragmented state of the market. One would hope that being licensed in any jurisdiction of the NAIC means that a producer fulfills the same basic requirements to be met in all jurisdictions. Selling life insurance to a consumer in New York should require the same level of expertise and education as selling life insurance to a consumer in Hawaii.

How then can states justify the current disjointed licensing system? The answer in the FIO report is implicitly that they cannot. The FIO's answer is passage of the National Association of Registered Agents and Brokers Reform Act of 2013, more often referred to as NARAB II.

States could easily make both NARAB II and the current licensing concerns unnecessary. States already have in place the basis of a system for national licensing of producers. Since 1996, the NAIC and producers have worked on developing a National Insurance Producer Registry (NIPR). It may be beneficial for states to begin transitioning NIPR from an informational registry to a licensing unit controlled by the states, not the federal government.

With its work on reinsurance collateral reform for example, the NAIC has already demonstrated that it is open to the idea of passporting – allowing a license in one state to essentially become a license in all states subject to uniform standards. Transferring this idea to producer licensing would allow for a substantial reduction in duplication required of producers seeking multi-state licensing, reduce the cost of such licensing, allow insurers and consumers to benefit from a more competitive producer marketplace, and provide consumers efficient access to a wider range of expertise.

The obvious example is the securities industry, where the Financial Industry Regulatory Authority (FINRA) – like the NAIC, a nongovernmental organization – handles registration and market conduct across all states. The result is that brokers can all be assumed to have at least the same level of basic education, and are subject to the same penalties. The combination of requirements – Series 7 for all and Series 63 or 66 depending on the state – preserves the role of the states while streamlining the process.

This process has long represented a particular pain point for insurers who face the difficulties and costs of operating in our 50-state system.

The NAIC has moved in this direction, especially with the adoption of the Producer Licensing Model Act, but its shortcomings are demonstrated in the FIO's note that 80% of surveyed members of the National Association of Insurance and Financial Advisors (NAIFA) reported they were unable to serve a client who moved to another state.

Beefing up the NIPR or creating a new state structure for national producer licensing could also have some secondary benefit. By using advanced analytics for example, regulators may be able to more quickly detect patterns of unsuitable sales or unreliable products in this larger sample, and prevent their spread. An efficient, closely monitored national producer organization could become another tool in the regulators' arsenal to help prevent fraud and improve consumer protection.

A similar concern arises with market conduct regulation. The lack of uniformity in current market conduct regulation means an act that could possibly result in a multimillion dollar fine in one state may be acceptable in another. This lack of certainty benefits neither insurer nor insured.

The NAIC has steadily moved towards more coordination and market conduct, and the FIO report encourages more such movement. The FIO report rightly quotes a 2011 ACLI member survey that found that 63% of respondents rated current market conduct practices as "unsatisfactory/needs improvement," and 78% cited a lack of uniformity as a major cause of dissatisfaction.

Here again the example of FINRA might prove relevant. While the FIO report simply recommends more uniformity among market conduct examinations, a move to a more centralized structure within the NAIC may enable states to share costs, expertise, and intelligence, while improving uniformity and thus certainty for insurers.

One might well expect state regulators to be wary of ceding any of their current individual authority, but as state regulators become more comfortable with supervisory colleges and the like, they may well also come to recognize the benefits of a more complete sharing of market conduct regulatory activities among the states.

Product approval

It could reasonably be argued that some products, such as certain property-casualty products, may benefit from being regulated as closely as possible to the area of sale in order to ensure appropriateness and suitability.

But what of life insurance, for example? People live in Hawaii. People live in New York. People die in Hawaii. People die in New York. Is there any real reason why a life insurance policy sold in Hawaii and a life insurance policy sold in New York should not have to meet the same standards?

For the most part, one would think that the FIO and the NAIC might agree with a reasonable observer that the same consumer protection and solvency standards should apply to the policy sold in each state. One may infer this from the NAIC's establishment of the Interstate Insurance Product Regulation Commission (IIPRC), better known as the Interstate Compact, and the System for Electronic Rate and Form Filing (SERFF).

For both industry and consumers, the Compact would seem to represent a clear advantage over individual state approval of covered products. Clarity, speed to market, and consistency are welcome outcomes. But more needs to be done, and this is an area where the FIO report gets it right.

Until all 56 jurisdictions participate, the potential for regulatory arbitrage still exists, while the potential benefits are nowhere near maximized. This is especially true considering that some of the larger states are not participants in the Compact. It is also true, as the FIO report says, that product lines covered need to be broadened and standards developed.

This will require compromise on the part of both regulators and regulated. Some regulatory concern over participation in these interstate entities may arise from the fear that they may be used to lower consumer protection standards now in existence in certain states. Those states may need to be convinced, perhaps by a toughening of standards, that participation will not be detrimental to consumer protection.

It may still be difficult to envision some states participating unless such participation becomes an accreditation standard. But it may be just as necessary as was the move to risk-based capital as an accreditation standard after the crisis of the early 90s. That required time for adoption by states and delayed accreditation for some.

For industry, any increased cost that higher standards may represent could well be offset by increased consumer confidence, greater efficiencies, and faster speed to market. Such speed to market can also help contribute to innovation. An aging population can benefit from a greater diversity of reliable retirement products that such a system could help foster.

Rate regulation

Rate regulation may be one of the more controversial areas mentioned in the FIO report. The differences among state regulatory systems that have evolved over time may result in inefficiencies, but not necessarily ineffectiveness or inappropriateness.

A state requiring prior approval of rate and form filings may be a state in which there are fewer product offerings, those offerings take longer to come to market, and may be higher priced when they do. However, that state may also be one in which consumers are willing to accept that trade-off in return for a perceived higher standard of safety and reliability.

While in the long run, the adoption of uniform national standards as previously discussed may mitigate concerns with individual state rate regulation, it is hard to imagine this concern will completely disappear. But states may wish to take seriously their status as the laboratories of democracy to experiment within and among themselves. Innovation is a good that normally requires disruption.

Regulation by its very nature prizes continuity. But as they have done with telematics, regulators may wish to consider the opportunity cost of not exploring alternative methods of rate regulation, especially given the offer of help from the FIO.

A series of limited experiments could perhaps determine the comparative effect of file-and-use and prior approval systems on product cost and availability, as well as on consumer protection. Regulators see their primary duty as protecting consumers, and they do it well. But while it is relatively easy to comprehend the effect of consumer protection with existing products, it may be somewhat more difficult to properly visualize the decrease in consumer protection caused by a lack of availability of innovative products whose development may have been restricted by overly stringent regulation.

Only by experimenting within and among states can credible best practices be developed. To be most effective in the future, regulation, as effective as it has been, must learn from the past without being limited by it.

Near-term impact

There are numerous other recommendations within the FIO report, some of which may meet with speedy responses.

Mortgage and title insurance

This is one area where the FIO has called for direct federal responsibility. It also may be one area where direct federal responsibility might have the least impact. The mortgage market is dominated by Fannie Mae and Freddie Mac, both of which already essentially set capital standards for mortgage insurers. The new bosses may not be much different from the old bosses. The Consumer Financial Protection Bureau (CFPB) – barred by Dodd-Frank from direct involvement with insurance – has already flexed its muscles with regards to mortgage insurers. Whether mortgage insurers end up under direct federal regulation or continue with the current de facto dual state and federal regulation may be more a factor of capacity and willingness to assume responsibility on the part of the federal government than of anything else. In any event, mortgage insurers have already had to begin coping with changes in their operating models and should expect these changes to continue.

Title insurers may escape direct federal supervision, but given the relationship between title insurers and the banking or mortgage banking industry – analogous to that of mortgage insurers and the industry – title insurers should continue to expect increased scrutiny, both from federal agencies and from state regulators eager to demonstrate their bona fides as consumer protectors.

Both mortgage and title insurers may remain under the magnifier so long as memories of the last financial crisis linger.

Reinsurance

Reinsurance collateral reform may be as low-hanging as low-hanging fruit gets in insurance reform. Both the FIO and the NAIC have made substantial moves toward reforming reinsurance collateral requirements across states. The NAIC will continue with its passporting initiative, while the FIO seeks to move to the forefront through covered agreements. For U.S. reinsurers, one major goal during this period should be to ensure a level playing field worldwide. Some U.S. reinsurers have expressed concern about their treatment in non-U.S. jurisdictions. As the NAIC designates conditional equivalent jurisdictions and the FIO and the U.S. Trade Representative enter discussions with non-U.S. regulatory entities, U.S. reinsurers should seek to communicate their concerns and proposed remedies to both during this transitional period and before current practices are locked in stone.

Life and annuity

Providers of life and annuity products may be subject to temporarily increased scrutiny. The FIO's report expressed concern over the use of certain underwriting factors and technologies, and these are not necessarily limited to providers of property-casualty insurance. Annuity suitability is one area of increased regulatory focus, with a high probability of a national standard being imposed either by the FIO or through adoption of the NAIC's model act.

Solvency concerns may be disproportionality focused on life and annuity providers. The use of affiliated captives for reinsurance purposes has found clear disfavor both in the FIO report and among enough regulators to make it probable that such use will not be permitted after adoption of principle-based reserving (PBR). In the meantime, increased transparency and regulatory harmonization may affect capital cost for life insurer-owned captives in some states. Preparing to defend the use of such captives as a means of alternative risk transfer, or seeking alternatives to such captive use might be a prudent near-term step.

Life insurers may also be affected by the FIO report’s call for cautious adoption of PBR. In conjunction with reservations loudly expressed by some regulators from larger states, this report may negatively influence state legislators who now must justify approving a change to PBR in the face of a federal report that provides less than wholehearted endorsement.

Finally, life and annuity insurers may be the group primarily affected by the FIO report’s call for uniform policyholder recovery rules so that policyholders, irrespective of where they reside, receive the same maximum benefits from guaranty funds. Given the current varying state limits and the ex post facto nature of funding for these funds, creating a uniform national maximum benefit may add liabilities to many insurers.

Property-casualty

Property-casualty insurers have already had to deal with state regulators concerned with the use of predictors such as credit report or marital status. The FIO report echoes these concerns. On the other hand, the FIO report offers some positive notes for property-casualty insurers.

Property-casualty insurers have long called on states help identify, adopt, and implement best practices to mitigate losses from natural catastrophes. So does this FIO report. The refusal of states to implement such best practices may be a factor to which insurers may point as they adjust their risk profiles.

Movement toward making multistate licensing easier and more cost-effective should benefit property-casualty insurers as they seek to manage their distribution networks. So too should any movement by state regulators to establish pilot programs for rate regulation that seek to maximize the number of insurers offering personal lines products. The corollary, however, is that such regulatory changes may also ease the way toward increased competition in various markets.

All insurers

Enhanced corporate governance principles imposing character and fitness expectations on directors and officers are almost a certainty in light of this report. The NAIC had already clearly stated its intention to impose such enhanced governance principles, and the enthusiastic endorsement of these by the FIO report can only strengthen the NAIC's hands in any negotiation with industry.

External drivers

The big question, as yet unanswered, is what happens next. Will the FIO report be left to gather dust in the bowels of Treasury, or will the FIO work vigorously to persuade states to implement the recommendations? Will this FIO report be followed by another in a year or two, and would the absence of significant changes by then be an impetus for federal action?

Through our discussions with the FIO, we have become convinced that it intends to vigorously pursue a broad reading of its mandate. True, unless there are dramatic changes, the political climate should continue to militate against major federal involvement, but the push toward a gradual realignment of regulatory responsibilities may be fueled by other externalities.

The influence of international financial regulation on U.S. regulators has grown since 2008 and can be expected to continue to grow. U.S. insurance regulation has changed, with items such as ORSA and Corporate Governance reflecting international norms, and that pressure to conform to the global insurance regulatory construct may be expected to continue.

International regulators have not been shy about their preference for national, not state regulation in the U.S. In its August 2013 *Peer Review of the United States,* the G-20's Financial Stability Board (FSB) noted "significant additional work" remained to address concerns about "regulatory uniformity" listed in the last Financial Sector Assessment Program (FSAP) report by the International Monetary Fund (IMF). Its recommendation: "Given the drawbacks of the current regulatory set-up, the US authorities should carefully consider and provide recommendations to Congress as to whether migration towards a more federal and streamlined structure may be a more effective means of achieving greater regulatory uniformity."

The next U.S. FSAP will be conducted in 2014. Possible clues to the IMF's stance on centralized regulation may be found in its Japan FSAP. This was the first conducted under the 2011 revised Insurance Core Principles (ICP).

Under recommendations for ICP 1 (Powers and Responsibilities of the Supervisor), the IMF addressed the need for consistency by recommending, among other possibilities, that "the government might consider centralizing insurance supervision with the FSA [Financial Services Agency]."

Conclusion

If the FIO report provided few surprises, it did serve to reinforce the need for reform of state regulation. The ongoing success of state regulation deserves to be applauded. The state-based system can provide regulatory competitiveness that benefits both industry and consumers. But there are challenges and inefficiencies that need to be resolved. In the breathing space provided by the FIO report, state regulators may best serve the state regulatory system by working ever more vigorously toward the uniformity and reciprocity that is inspirational in principle, but still remains largely aspirational in the real world.

Insurers who have had to cope with tremendous uncertainty in the recent past may be comforted that the broad direction for the future of insurance company regulation has been set. But that future may come with increased compliance costs and more stringent risk management requirements.

While not fundamentally altering the current state-based system, the FIO has placed a marker that it will play a key role in influencing future regulation. Beyond assuming the lead role for representing U.S. insurance regulatory interests globally, the FIO has also shown through this report and confirmed in our discussions that it intends to continue to challenge state regulators to work to improve consistency and effectiveness and to reduce perceived inefficiencies in the current model.

With current global initiatives moving forward (e.g., capital) and placed in the context of increased focus by regulators on systemic risks, the environment for both global and domestic insurers is likely to become more and more complex and challenging.

In addition to increasing compliance costs, this may put pressure on reserves and increase the cost of capital for insurers. Insurers best poised to benefit from this may be those who use the broad outline of upcoming changes to re-examine their most basic assumptions – including operating models, economic models, corporate structures, tax structures, product mix, and enterprise risk management capabilities – to help provide themselves with the flexibility needed to react quickly in what may be an environment that changes at faster than expected speed.

While (non-SIFI) insurance companies probably will still look to their states as their lead regulator, over time it is reasonable to expect that higher bars being set by other stakeholders (FIO, global bodies, Fed, FINRA and SEC) will put populist pressure on the NAIC to show that it, too, has the ability to effectively police risks within the industry.

For insurers, this may mean that the use of previously permitted practices could be dramatically cut back, leading to greater capital costs. An obvious harbinger of this regulatory risk is the treatment accorded life insurer-owned captives. According to a Moody's report, the life industry received approximately $325 billion, or 12% of total reserves, of "relief" in aggregate from unauthorized captive reinsurers. This equates to approximately 85% of industry regulatory capital and surplus and only captures one segment of the industry's captive transactions (those with unauthorized affiliated captives), added Moody's.[6]

Consider what would happen if, as regulators move to assert their determination to avoid any solvency concerns, regulatory rejection of this use of captives were combined with other reforms such as rollbacks in permitted practices.

[6] *The Captive Triangle: Where Life Insurers' Reserve and Capital Requirements Disappear,* Moody's Investors Services, Aug. 2013, https://www.moodys.com/research/The-Captive-Triangle-Where-Life-Insurers-Reserve-and-Capital-Requirements--PBC_156495

On the federal level, the FIO itself could be expected to feel pressure to remain relevant now that the report has been issued. There are clear areas where the FIO could improve its public and stakeholder standing with quick victories. International areas where the FIO has clear authority – such as with covered agreements for reinsurance or global Insurance Capital Standards – could provide an arena for tangible achievements.

Certain domestic areas – such as facilitating an acceptable solvency regime surrounding the use of affiliated captives for reinsurance, or the inclusion of commercial lines in the Interstate Compact – would also seem to be areas where the FIO might make an impact in the short term. Politically popular steps including providing for de facto national insurance for servicepeople, or examining the use of certain rating and underwriting factors could raise the profile of the FIO.

Our discussions with the FIO have led us to believe it will pursue these and similar steps to strengthen its role in insurance regulatory oversight. A stronger FIO might mean more of a threat to state regulation. State regulators then might move to protect their positions by strengthening their regulatory activity.

It would seem prudent therefore for the industry to expect that over the next two years there will be a flurry of debate followed by an increase in regulatory expectations and activity as the various constituencies compete to maintain their desired leadership in supervising the industry. Insurance companies would be well served to broadly consider evolving views on topics such as governance, risk management, compliance, and capital management to position themselves to be ahead of this expected increased focus by regulators in these areas.

For more information, please contact

Gary Shaw
Vice Chairman
U.S. Insurance Leader
Deloitte LLP
+1 973 602 6659
gashaw@deloitte.com

George Hanley
Director
Deloitte & Touche LLP
+1 973 602 4928
ghanley@deloitte.com

Howard Mills
Director & Chief Advisor
Insurance Industry Group
Deloitte LLP
+1 212 436 6752
howmills@deloitte.com

Richard Godfrey
Principal
Deloitte & Touche LLP
+1 973 602 6270
rgodfrey@deloitte.com

Steve Foster
Director
Deloitte & Touche LLP
+1 804 697 1811
sfoster@deloitte.com

Tim Cercelle
Director
Deloitte & Touche LLP
+1 216 589 5415
tcercelle@deloitte.com

Andrew N. Mais
Senior Manager
Deloitte Services LP
+1 203 761 3649
amais@deloitte.com

David Sherwood
Senior Manager
Deloitte & Touche LLP
+1 203 423 4390
dsherwood@deloitte.com