

## Revolutionary Wars

The marking of a new year – whether it be January 1st, the Chinese New Year, the Jewish New Year, or any other iteration of a new beginning, is the only major holiday in most societies celebrating the passage of time. January 1st as

What I particularly like about Edwards' resolutions are the hedges. He always seems to leave an out such as “in narrations” or “except” in the foregoing resolutions. So like most modern resolutions we need to take them with a grain of salt, and



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***So like most modern resolutions we need to take them with a grain of salt, and in that spirit I offer a sampling of 2014 resolutions “overheard” by “reliable sources” in the hallways of some of our favorite local, federal and international legislators, regulators and administrators responsible for setting and enforcing the rules for our industry:***

the beginning of a new year, of course, is quite arbitrary. The ancient Babylonians logically celebrated the beginning of a new year in March with the beginning of the growing season. The Romans are responsible for moving the beginning of the new year to January 1st with the adoption of the Julian calendar, naming the first month – January – after Janus, the two-faced god that could look forward as well as backward.

The tradition of making promises at the beginning of a new year can also be traced back to ancient times with vows to the gods to do good things in their name, but the beginning of a new year was mostly a time of celebration. New year's resolutions as an art form, and as a sobering alternative to ungodly New Year's celebrations, can be attributed to the 18th Century Puritan Pastor Jonathan Edwards who, as a young man, wrote his famous resolutions that became a life coda for himself and his followers. Here, for example, are two of his 70 published resolutions that have become, in more modern language, common maxims:

- Resolved, in narrations never to speak anything but the pure and simple verity.
- Resolved, never to speak evil of any, except I have some particular good call for it.

in that spirit I offer a sampling of 2014 resolutions “overheard” by “reliable sources” in the hallways of some of our favorite local, federal and international legislators, regulators and administrators responsible for setting and enforcing the rules for our industry:

Starting globally, the International Association of Insurance Supervisors (IAIS), which was established to provide the international financial regulatory community with criteria for the financial regulation of insurers, has RESOLVED:

- To continue to use the international financial crisis as a means of forcing banking financial criteria on insurers; and
- To use our bully pulpit in the name of international financial stability to get what we really want – an end to state regulation in the US for the competitive advantage of non-US companies.

On the Federal scene, the US Treasury Department, charged with the enforcement of the 2010 Dodd-Frank Act, and which oversees of the Federal Insurance Office (FIO), has RESOLVED:

- To confiscate and destroy all copies of “Insurance for Dummies” circulating among our staff and the staff of the FIO; and

- To direct the FIO to continue to use our standard-issue “Alice in Wonderland” calendars with random days and months and years so that all of its required reports on the insurance business will be considered timely.

On a national (but not Federal) level, the stalwart for preserving state regulation of insurance, the National Association of Insurance Commissioners (NAIC), has RESOLVED:

- To continue the fight to maintain to a strong, viable system of state based regulation of the business of insurance; and
- To accomplish this goal by acceding to all “suggestions” by the US Congress or the Treasury Department for the regulation of the insurance business no matter how detrimental or counter-intuitive to a state based system.

On the state legislative front, there is the National Conference of Insurance Legislators (NCOIL) and the legislative bodies of each state, which play a significant part in shaping the regulatory landscape for the insurance business, each of which have remarkably similar resolutions, to wit:

- RESOLVED, to continue our strong support for state-based regulation of insurance through the adoption of legislation incompatible with the efforts of the NAIC or anyone else seeking consistent requirements from state to state.

When it comes to state insurance regulators, each has its own agenda and there is not enough space to report each state's separate and unique resolutions, so I have focused on just one — the New York Department of Financial Services (DFS), which has RESOLVED:

- To continue our sterling efforts to meet our statutory *raison d'être* (note the international flavor!) to “encourage, promote and assist banking, insurance and other financial services institutions to effectively and produc-

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tively locate, operate, employ, grow, remain, and expand in New York state;” and

- To accomplish this statutory directive, DFS will -
  - be far more effusive about the wonderful job the Insurance Industry has done in response to Superstorm Sandy and other

significant events;

- be far more open with the public about the importance of the insurance industry to the economy of our state;
- restore the annual report of the DFS to the full glory of the old Insurance Department reports on the state of the insurance business in our state; and
- learn the importance of capital from all legitimate sources to a

healthy and successful insurance industry.

The resolutions reported above have all been institutional rather than personal resolutions. There are some, however, that cannot be made institutionally, but only personally. For instance, New York’s Superintendent of Financial Services is individually responsible as receiver, rehabilitator or liquidator of financially troubled insurers in the state – not the DFS, any division of the DFS, or any agency of the state (or some other agency of unknown authority, such as the NY Liquidation Bureau), and therefore any meaningful resolution regarding the insolvency process in New York must come from him personally. The NY Receiver has not disappointed, of course, and has RESOLVED:

- To bring the insolvency process in New York out from under the rock and into the sunlight unless, of course, such exposure proves to be too harsh, in which case it will be swept back under the rock; and
- To finally explain to the shortfall annuitants of Executive Life Insurance Company of New York (ELNY) why I made no effort to hold those responsible for the gross mismanagement of ELNY accountable, and why I did everything in my power to prevent the shortfall annuitants from doing so.

And for me? I have adopted Pastor Edwards’ second resolution: “Resolved, to be continually endeavoring to find out some new contrivance and invention to promote the aforementioned things.”

Happy New Year, and much success formulating and achieving your own resolutions! [A]

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