

For Immediate Release
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NRRA CONFERENCE TO DEBATE IMPACT OF LEGISLATIVE REGULATORY ISSUES ON RISK RETENTION GROUPS

Washington, DC – Federal legislation to allow Risk Retention Groups (RRG) to write property insurance, state encroachment on RRG authority, and other issues affecting the future of this growing segment of the insurance industry will be debated at the annual conference of the National Risk Retention Association (NRRA) October 5-7 in Washington, DC.

NRRA is the national trade association that represents the interests of Risk Retention Groups – insurance companies authorized by the federal Liability Risk Retention Act of 1986 (LRRRA) to operate nationally without additional regulation when licensed in a single state.

“Risk Retention Groups are poised for growth with 247 companies that generate more than \$2.5 billion in premium. The Conference will provide a forum to debate the issues that threaten to limit their future growth,” said Sanford “Sandy” Elsass, Conference Chairman and President/CEO of Uni-Ter Underwriting Management Corporation.

Therese M. “Terri” Vaughan, CEO of the National Association of Insurance Commissioners, will address the conference on regulatory issues from the point of view of state regulatory agencies.

J. Stephen Zielezienski, Senior Vice President and General Counsel of the American Insurance Association, will speak to federal initiatives including the Risk Retention Act of 2010 introduced recently by Rep. Dennis Moore (D-Kan.) and referred to the House Financial Services Committee. Among other provisions, the bill would authorize RRGs to write commercial property insurance and direct the Comptroller General to look into whether states are interfering with RRGs authority under the federal LRRRA.

Robert H. “Skip” Myers, NRRA General Counsel and partner in the law firm of Morris, Manning, and Martin, who will moderate a panel on Governance Standards, said: “The imposition of filing fees, filing requirements, information requests, waiting periods, and other duties not authorized by the LRRRA are a continuing problem for the RRG industry. The LRRRA was designed to eliminate excessive state regulatory requirements. Congress’s intent is being thwarted.”

The conference also will feature a panel that compares the financials of RRGs with publicly traded companies. Joseph Petrelli, President of Demotech, Inc., a financial analysis and rating firm, will report on a study that shows the quality of RRG balance sheets compare favorably with publicly traded market share leaders. “Although RRGs are typically smaller, specialty carriers, the relative quality of their balance sheets – the composition of their investments, loss and loss adjustment expenses, reserve integrity, operating results, and quality of reinsurance compare favorably to larger carriers,” according to Petrelli.

The conference will be held at The Ritz Carlton Pentagon City Hotel, Washington, DC. You can view the full conference schedule and register online at www.riskretention.org

Association contact: Jennifer Williamson, President, Jennifer@riskretention.org.

Media contact: Mechlin Moore, MDM Communications, mmoore7412@aol.com.

Mechlin Moore
MDM Communications
720 Milton Road #1BW
Rye, NY 10580
Cell: (239) 777-1595
Ofc: (845) 920-7081
mmoore7412@aol.com
mmoore@usre.com