

Writing the Handbook on Collaboration

NOLHGA's work on the NAIC's *Receivers' Handbook* is another example of how working together makes for better results.

By Caryn M. Glawe

Those in the guaranty system know that communicating, coordinating, and collaborating with regulators and receivers is key in the event of an insurer insolvency. But that work starts well before a company is placed in liquidation. Effective working relationships are enhanced when guaranty system representatives engage with regulators and receivers on education and preparedness matters outside of an active receivership.

A great example of this is NOLHGA's engagement with the National Association of Insurance Commissioners (NAIC) on updates to the *Receivers' Handbook for Insurance Company Insolvencies*. That engagement, which stretched over two years, demonstrated and even strengthened the NAIC's commitment to communication, coordination, and collaboration with NOLHGA and its member guaranty associations.

The *Handbook* was first adopted over 30 years ago and was "designed and intended to provide a general overview of concepts, principles, and procedures that the authors and editors believe may be of assistance to a receiver."¹ It has been revised a few times and, in 2021, the Receivership and Insolvency (E) Task Force (RITF) formed

the Receivers' Handbook (E) Subgroup to "review the Receivers' Handbook to identify areas where information is outdated, updates are required, or additional guidance is needed."² Kevin Baldwin (Illinois) served as Chair and Miriam Victorian (Florida) served as Vice Chair of the subgroup. The other subgroup members were regulators from California, Connecticut, Michigan, Oklahoma, Pennsylvania, Texas, and New Mexico.

Getting to Work

Charged with completing its work by the Fall 2023 National Meeting, the subgroup engaged the Receivers' Handbook Drafting Group in the summer of 2021. The Drafting Group,

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President's Column by Katie Wade

Working Together

This column is adapted from my President's Address, delivered on October 9, 2024, at NOLHGA's 41st Annual Meeting.

When I first took the job as NOLHGA's President, I went on a listening tour, trying to talk with as many members as I could to get a sense of what they liked about NOLHGA; what they did not like about NOLHGA; and most importantly, what they needed from NOLHGA. Those early conversations have driven a lot of what we have been doing over the past year.

But the tour did not stop. This year, I have attended several regional guaranty association meetings, and I really enjoyed them. For one thing, they have reaffirmed my impression from my first tour, which is that I am continually impressed by the dedication of the people in this system and their willingness to roll up their sleeves and get things done. I hope everyone here appreciates how rare that is. Attending the regional meetings has also given me the opportunity to get to know all of you better, which I have enjoyed the opportunity to do.

I also enjoy those meetings because they help me learn about the issues on people's minds, where they see challenges and opportunities. There is a lot of sharing and open dialogue—and yes, sometimes the dialogue is about things NOLHGA is not doing or is not doing well.

And that is good. We need to hear frank feedback. Whether you are an organization or a person, if you only hear the good stuff, you are never going to improve. To me, that is one of the lessons of our Vision 2027 strategic planning project—we needed to hear what the members wanted NOLHGA to be in three years.

As you all know, the project has three workstreams:

- Technology, Systems, and Documentation
- Human Capital
- Assessment Services

NOLHGA Chair Joy Higa talked about technology earlier, and we have been talking about AssessConnect—our new company contact information and assessment platform—for a while now, so I want to focus on the human capital workstream. Over the past year, we have reduced key person dependencies and brought in new expert resources for our financial, accounting, and task force support teams. We have also broadened our consultant base. And that is all because of feedback we received from you.

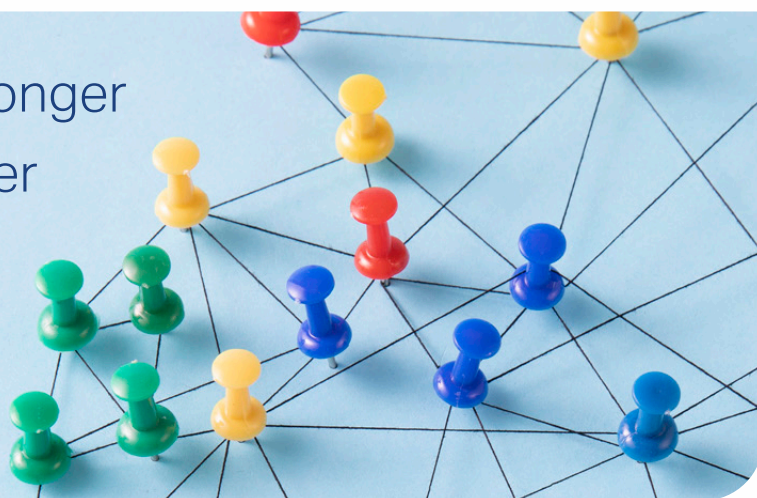
Changing Times

I want to take a moment here to praise the NOLHGA staff for really embracing our efforts to enhance our resiliency. It has not been easy, and their response to all these changes has been the key to our success. We have a strong team, and I appreciate all the hard work of our people, as well as their ability to adapt to changing circumstances.

That willingness to adapt and embrace change has not been restricted to the NOLHGA staff. Over the last few days, you have seen and heard about the efforts of the Global Bankers Task Force to help the guaranty associations prepare for the liquidations of Colorado Bankers and Bankers Life. They have gone the extra mile—miles might be more appropriate—to provide members with the information they need and, most importantly, present that information in a manner that members can use. All the credit goes to John Colpean and the members of his task force.

Everything I have talked about so far—the strategic planning process, the new people at NOLHGA, how the Global Bankers Task Force worked to get the members what they need—is a response to changing circumstances. New people, a new industry environment, new technology, new regulators—all of it means we constantly

“ We are better and stronger when we work together to ensure that we are all rowing in the same direction. ”



have to ask, “what do our members need, and what is the best way to get it to them?”

That is why there has been such a focus on education this year—because you told us you wanted it. But we have also been focused on educating outside groups on the value of the guaranty system, and on crafting and delivering a consistent message—the guaranty system works in partnership with regulators, receivers, and other stakeholders to protect consumers, and we are at our best when we work together. Every presentation we do, that is the message we deliver.

We have done a lot of presentations, and there are many members to thank for their contributions. You have heard about the NAIC tabletops. There was one last week at the NAIC Northeast Zone Meeting, which Barry Miller (Delaware), Nancy Margolis (Pennsylvania), and Bill Fisher (Massachusetts) helped facilitate—and there are more to come in 2025.

I want to highlight a few other sessions. In July, Pamela Olsen (Minnesota, Nebraska, and New Mexico) and Chad Anderson (representing the NCIGF) conducted a “GA 101” presentation for the Society of Financial Examiners. At the NAIC’s Insurance Summit in September, they conducted another session—this time with Jackie Obusek from the North Carolina Department of Insurance and Joe Hallahan from the California Conservation and Liquidation Office—that explained the system and how we work with regulators and receivers to protect consumers.

Frank Knighton Jr. (Georgia) and Tamara Kopp (Missouri) did a presentation for IAIR, along with Joel Glover (Faegre Drinker) and Don Roof (Special Deputy Receiver for North Carolina Mutual), that focused on the partnership to protect consumers. And a few months ago, I was asked to speak to the NAIC’s International Insurance Relations (G) Committee about the U.S. receivership system and our views on international standard setting.

All these presentations are an opportunity to explain how the system works, build trust, strengthen relationships, and get our central message across—that we are better when we work together.

Better Together

That is also the message I want to share with all of you today—we are better when we work together.

The strategic planning process worked as well as it did because we were able to get your feedback. We did interviews, we sent out a survey, we met for half a day at an MPC meeting in January to get your input and perspectives, and we built consensus. All of which was put in the Vision 2027 document.

As Gerrie and Joy said, people felt heard, and they saw their input in the plan that evolved from all those efforts. Without that input, we would have a very different plan, and I think we would not have as much buy-in from you.

[“President’s Column” continues on page 9]



Southern Hospitality

NOLHGA headed to Music City in October 2024 for our Annual Meeting—here are some highlights:

What's Next for the Health Market?

"Our policy group puts out a thing called the path forward that's on our website. It's the various things that we're advocating for on a federal and state level for healthcare policy issues—a guiding North Star, as it were. And a lot of it focuses on access, affordability, and easing the administration and the experience of both care providers and consumers, whether they be members on the insurance side or patients on the care delivery side. And we kind of coalesce around those three things."



Thad Johnson: Chief Legal Officer, UnitedHealthcare

U.S. Economic Outlook

"We are what I call 'peak 65' in this country—2024 is the start of a four-year period in which 11,200 people turn 65 every single day. If we want to keep more workers working, we need to find caregiving solutions that allow those who can to continue working. And the flexibility of the work force—the gig economy, the ability of people to be able to handle both their home responsibilities as well as work—is going to be critical in solving these issues. So these policies are really important, but designing them well is also important."



Juhi Dhawan, Ph.D.: Senior Managing Director, Partner & Macro Strategist, Wellington Management



Tennessee Insurance Commissioner Carter Lawrence

welcomed attendees to Nashville with some advice on popular tourist spots and his thoughts on the shared goals of regulators and the guaranty system. “The other piece that really fits in with the guaranty associations and our priorities is continuing to protect the state-based system of regulation. This isn’t something we care about as regulators to protect our fiefdoms. We care about it because we think it’s the best way to regulate—that we’re the most responsive to the people we’re regulating.”



Outlook for the Life Insurance Market

“It’s about educating people about the importance of financial security. I’ll use me as an example. I didn’t think I was worthy of having a financial advisor. I thought you had to have millions. What we’re trying to do now is say, ‘if you’re in your twenties, set up an account with us; \$25, \$50—just start saving.’ Put it into an account. That’s how we’re starting to grow that base.”



Kelli Eddy: COO – Life & Wealth Companies, Farm Bureau Financial Services

Adapting to Change & New Technology Highlight Chairs’ Addresses

Outgoing NOLHGA Chair Gerrie Marks and Incoming Chair Joy Higa pointed to the many changes facing the guaranty system and the challenge of incorporating new technology in their speeches at NOLHGA’s 2024 Annual Meeting. Citing new members, new types of receiverships, and the changing needs of member guaranty associations, Marks called on NOLHGA and the associations to make new members feel welcome and embrace new ways of approaching receiverships.

In the face of extended rehabilitations and a rise in single-state insolvencies, Marks said, “we have had to do the hard work of *not* resorting to saying, ‘this is how we’ve always done it,’ and I think that hard work has paid off.” She added that NOLHGA’s



Gerrie Marks



Joy Higa

Vision 2027 strategic plan and the new AssessConnect assessment tool are models of how to adapt to change—by seeking out feedback from all stakeholders.

Marks also highlighted NOLHGA’s focus on education in 2024, in particular its efforts to educate regulators on the value of collaborating with the guaranty system. Citing the many tabletop exercises NOLHGA conducted at NAIC meetings, she noted that after the first exercise,



Best-Selling author Ann Patchett entertained attendees with tales of growing up in Nashville (she spent more time backstage at the Grand Ole Opry than she did in school) and the importance of doing something you love, whether it's writing or running a bookstore where dogs help children learn to read.



“It’s just as important to fight for what you love as it is to fight against what you hate.”

the NAIC requested follow-up sessions. “To have regulators old and new asking for information on the guaranty system is a great sign, because it means if they ever do have a receivership, we won’t be starting from scratch,” Marks said. “The relationships we’re building now will pay dividends for years.”

Higa echoed Marks’s praise of NOLHGA’s educational efforts and added that “my main focus for my year as NOLHGA Chair will be on technology and cybersecurity.” While AI and cybersecurity are hot topics these days, Higa stressed that “our goal is to identify places where we can use technology to help our member associations so they can focus their time and expertise where it needs to be—on insolvency work.”

AssessConnect will be a cornerstone of those efforts, but Higa added that other ambitious projects are in the works. “We’re also working on a project to take the vast amounts of data NOLHGA has on 40-plus years of insolvencies and put it at the fingertips of the members,” she said, noting that the project will take the input of guaranty association members, NOLHGA staff, and outside consultants. In addition, a new Technology & Cybersecurity Committee has been formed

to “look at how we’re using technology, how the industry is using technology and how it could impact the guaranty system, and how we can improve our cybersecurity efforts systemwide.”

Noting that she is the rare NOLHGA Chair to come from the health industry, Higa stressed the importance of continuing efforts to incorporate health companies into the guaranty system, as well as HMOs that have become guaranty association members as more and more states adopt the latest amendments to the GA Model Act: “There’s still a need for education—there’s always a need for education—but we’re a better system when we have the life and health industries supporting us as we face new challenges and opportunities.”

Both Chairs also applauded the members for the invaluable work they do for consumers. “Most people live their lives never knowing what NOLHGA or a guaranty association is, and that’s good,” Marks said. “But for those who do need to know, the work we do can change their lives. Let’s remember that.” ★

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which was supported by NAIC staff, included the subgroup members as well as professional receivers and representatives of NOLHGA and the National Conference of Insurance Guaranty Funds (NCIGF) who volunteered to help. Members of the Drafting Group signed up to work on chapters that most interested them; generally, one member was asked to take the lead on a first draft of revisions for each chapter.

NOLHGA representatives (Associate General Counsel Joni Forsythe led NOLHGA’s work on the project) participated most actively in the review and revision of Chapters 1 (Commencement of the Proceeding), 6 (Guaranty Funds/Associations), 7 (Reinsurance), 8 (Special Receiverships), 9 (Legal Considerations), and 11 (State Implementation of Dodd-Frank Receivership). All Drafting Group members had the opportunity to make suggested edits to a shared document maintained by NAIC staff, and the group met to discuss revisions to each chapter.

Throughout 2021–2023, finished chapters of the *Handbook* were presented to the Receivers’ Handbook Subgroup for public exposure and subgroup approval. Ultimately, the fully revised *Handbook* was presented to and approved by RITF in December 2023. When presenting the *Handbook* to RITF, Subgroup Vice Chair Victorian noted that “each chapter of the Receivers’ Handbook was updated to make it more user-friendly and concise without losing the value it provides to both seasoned and new receivers.”³ The final revised *Handbook* was published in January 2024 and is available on the [NAIC’s website](#).⁴

The Issues That Matter

In reviewing the *Handbook*, the NOLHGA representatives on the Drafting Group focused on the discussion of matters relevant to guaranty associations and generally refrained



from commenting on more general receivership matters. Some information was outdated and needed to be updated. For instance, NOLHGA suggested several changes throughout the *Handbook* to reflect that most guaranty associations now cover HMOs, including removing the section on HMO receiverships from the Special Receiverships chapter since the differences between HMO and health receiverships are much less material now that guaranty association coverage is available for HMO products. NOLHGA also ensured that guaranty association coverage limits were updated to reflect the current Model Act.

The focus on communication and collaboration can clearly be seen in the way the Drafting Group handled the *Handbook*’s description of guaranty association triggering. Early in the review process, NOLHGA noted that this section could be clearer and more accurate. NOLHGA and the NCIGF were asked to rewrite those sections, and their draft language was accepted by the Drafting Group. NOLHGA and the NCIGF also took the lead on revisions to Chapter 6 (Guaranty Funds/Associations).

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NOLHGA worked to ensure the *Handbook* continued to encourage coordination among receivers and guaranty associations and to emphasize the role NOLHGA can play as a resource for receivers. This theme was included in the prior version of the *Handbook*, but early proposed edits to Chapter 1 suggested that communication and coordination with guaranty associations should be limited to circumstances when liquidation is imminent. Supported by NOLHGA’s advocacy, the Drafting Group moved away from that limiting language and agreed that the *Handbook* should echo the messages of the NAIC’s 2024 White Paper – *Communication and Coordination Among Regulators, Receivers and Guaranty Associations*.⁵ The *Handbook* reinforces this message several times:

- “Early coordination with the life and health insurance guaranty associations and the property/casualty (P/C) guaranty funds (collectively the “guaranty associations”) is essential for maximizing protections and achieving optimal outcomes for policyholders and claimants whenever guaranty association covered business is involved.”⁶
- “In addition to the benefits of early coordination to prepare for liquidation, ... NOLHGA and the life and health insurance guaranty associations can provide valuable technical expertise and assistance to receivers and regulators considering possible non-liquidation solutions.”⁷
- “Maintaining open communication and cooperation between the guaranty associations and the receiver, subject to appropriate confidentiality agreements, during pre-receivership planning and throughout the course of the proceedings will enable both the guaranty associations and the receiver to function more efficiently for the benefit of those whose interests they are obligated to serve.”⁸
- “NOLHGA is a vital resource for receivers in multistate life/health insolvencies.”⁹
- “Ideally, the receiver and NOLHGA, on behalf of the guaranty associations, should commence planning and coordination efforts at the earliest practicable opportunity.”¹⁰

The *Handbook* is a valuable resource for receivers, and the revision process itself was a valuable exercise of regulator/receiver/guaranty system communication and collaboration. “The amount of time devoted by so many dedicated practitioners and the collaboration on a national level was very encouraging,” said Subgroup Chair Kevin Baldwin. “With contributions from so many subject matter experts within the receivership and guaranty association communities, NAIC staff, and outside industry experts, I expect the 2024 edition of the NAIC Receivers’ Handbook will prove to be an invaluable resource for receivership practitioners for years to come.”

NOLHGA and the NCIGF appreciated the opportunity to contribute to this important project and to ensure that guaranty association matters and best practices for good consumer outcomes were accurately reflected in the *Handbook*. This successful collaboration is just one in a long history of the NAIC working with the guaranty system, and NOLHGA will continue to serve as a resource for the NAIC, regulators, and receivers in the future. ★

Caryn M. Glawe is a Partner with Faegre Drinker Biddle & Reath.

End Notes

1. *Handbook*, page 4.
2. Charge of the Receivers’ Handbook (E) Subgroup.
3. RITF December 2, 2023, Meeting Minutes.
4. [Receivers’ Handbook for Insurance Company Insolvencies](#).
5. [Communication and Coordination Among Regulators, Receivers, and Guaranty Associations: An Approach to a National State Based System](#).
6. *Handbook*, page 13.
7. *Handbook*, page 14.
8. *Handbook*, page 198.
9. *Handbook*, page 212.
10. *Handbook*, page 212.

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I really want that kind of dialogue and feedback to continue. We can guess what we think the guaranty associations want, but you are the experts. That is why I enjoy the regional meetings so much—they are unfiltered feedback. We need more of that, not just at regional meetings but at all our meetings, and on a day-to-day basis. If you need something from NOLHGA, just ask. We have made great strides over the past year to enhance our ability to help you.

Here is the tricky part—we need your help too. I mentioned that consistent message we have been delivering to outside stakeholders. That message gets stronger if the individual associations are making it when they are talking with outside groups, or when they are interacting with their insurance departments. We need to make sure that message is conveyed whenever any of us is representing the guaranty system as a whole.

There is a delicate balance here, and I saw it at the NAIC when I was the Connecticut Insurance Commissioner. Sovereignty is very important. The association exists to serve the members. NOLHGA cannot—and should not—try to tell you what to do. But we are better and stronger when we work together to ensure that we are all rowing in the same direction.

If you are giving a presentation or working on a new project, can the resources at NOLHGA help? I think they can. At the very least, if we know what the members are doing, we can coordinate with them so nothing NOLHGA does is inconsistent with their message.

The MPC is built on the idea that if we pool our resources and expertise, we come up with the best possible resolution plan. In other words, we work better when we work together. NOLHGA is here to help the members in any way we can, and we hope you’ll take us up on that.

In closing, it is an honor to serve as NOLHGA’s President. As I said earlier, the dedication and skill of the people in this room are extraordinary.

Thank you.



Katie Wade is NOLHGA’s President.



NOLHGA Calendar of Events

2025

July 23	MPC Meeting (Hybrid) Washington, D.C.
July 24–25	NOLHGA’s 33rd Legal Seminar Washington, D.C.
August 10–13	NAIC Summer National Meeting Minneapolis, Minnesota
October 22	MPC Meeting (Hybrid) San Antonio, TX
October 23–24	NOLHGA’s 42nd Annual Meeting San Antonio, TX
December 8–11	NAIC Fall National Meeting Hollywood, Florida

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