

Backgrounder

November 2006

NCIGF: On Course to Help Secure the Future for Policyholders

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Introduction. The National Conference of Insurance Guaranty Funds (NCIGF) assists its member state guaranty associations fulfill their statutory duty to pay claims of personal insurance consumers impacted by insolvency. NCIGF has embraced this responsibility by refreshing its strategies with its goal to distinguish NCIGF as the definitive, trusted expert on issues related to insolvency and its consequences.

We are focused on three critical areas:

1) development of an Operational Business Plan; 2) improving the processes by which insolvency public policies are made; and 3) formalizing a pro-active plan for communications and outreach in support of the guaranty fund mission. With the full engagement of our Board of Directors and calling upon the resource of a talented staff, I am pleased to report the progress being made.

NCIGF Operational Business Plan. The plan is built on four areas of strategic emphasis directed toward producing tangible benefits to member Guaranty Associations, the property/casualty insolvency system and insurance consumers:

1. Association Management/Member Services

Member directed programs and services providing high quality sources for guaranty association operational needs and meaningful education, networking and knowledge sharing.

2. Communications and Outreach

To enhance and raise the external profile of NCIGF and the state guaranty fund system within the P/C industry and among public policymakers in order to definitively distinguish NCIGF as the trusted expert on issues related to insolvency and its consequences.

3. Public Policy Development

To create a focal point from which NCIGF can help educate, energize and provide counsel to the property/casualty insurance industry's efforts to reform state guaranty fund and insolvency laws and to protect against erosion of the guaranty fund safety net.

4. Technology

Development of core technology competencies within the state-based guaranty association system and NCIGF to achieve increased efficiency in member operational needs, data collection and reporting.

This plan serves as a foundation for the final product of the NCIGF Strategic Planning Committee, expected to be completed in 2007.

Public Policy Development. While our by-laws prohibit direct lobbying by NCIGF staff, our members have a keen interest in the outcome of policy issues facing the guaranty fund system. Toward that end, our members, not to mention industry and policymakers, are well-served by NCIGF staff becoming even more effective at the important role we do play - that of trusted expert and resource to the property-casualty industry.

The NCIGF Board has created a public policy committee to provide a more systematic and integrated approach to guaranty fund and insolvency policy-making. The property/casualty industry is divergent in its viewpoints on many issues, a reality often used against fundamental public policy change by legislators and regulators. NCIGF is equipped to offer a discrete body of definitive knowledge to help inform industry's advocacy efforts. As conceived, the committee will provide a mechanism to maximize this unique role and value by providing an "issue management" approach to better fulfill our expertise/resource role.

Communications and Outreach. NCIGF has a legitimate and urgent need to proactively manage relationships throughout industry and with the trade press. Greeting me upon my arrival at NCIGF in June was a plan that identified many of the essential elements necessary to raise the level of awareness and build the profile of the guaranty fund system. It is appropriately ambitious but will be more time consuming than any other similar initiative in which NCIGF has been engaged to date. The next step is to implement the plan.

Communications success will only be realized through consistent, professional, high level efforts. NCIGF is in need of increased relationships with the national trade press, not simply because we are a national organization with a critical public policy mission to play for the guaranty associations, the industry and consumers, but also because of the sustained, substantial criticism that threatens to undermine the important role of the system. At a time of not only critical analysis and public policy review, it is incumbent upon NCIGF to help foster greater understanding among industry leaders and public officials about the role of the system in the lives of policyholders.

Recently, the NCIGF Board of Directors decided to implement the communications plan by retaining a full-time Communications Manager combined with a strategic partnership with the Insurance Information Institute (III). The role of the manager will be to plan, execute and manage internal and external communications activities of the trade association and to work with individual guaranty associations on their discrete communications matters.

We are also very enthusiastic to begin working with the III in an ongoing program of research, analysis, public outreach and media contact.

Conclusion. NCIGF was formed to serve the guaranty association community in 1989. During that period, America's property/casualty guaranty funds have paid billions of dollars of policyholder claims as a result of unprecedented commercial lines insolvencies. However, the public policy challenges arising from this activity are substantial and require a redoubling of effort to definitively establish NCIGF as the trusted expert on all matters related to insolvency.

The NCIGF is a nonprofit association incorporated in December 1989 and designed to provide national assistance and support to the property and casualty guaranty funds located in each of the fifty states, Puerto Rico and the District of Columbia.