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NOLHGA JOURNAL

A PUBLICATION OF THE NATIONAL ORGANIZATION OF LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATIONS

NAIC Undertakes Codification of Statutory Accounting Principles

By DAVID A. NACHMAN
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The project to codify statutory accounting principles (SAP) has been described by some as the largest undertaking in the financial arena by the National Association of Insurance Commissioners in the last half-century. This project, begun in 1991, is scheduled for adoption by the Plenary Committee of the NAIC in the spring of 1998. The codified accounting standards would then be effective for all insurers beginning Jan. 1, 1999.

BACKGROUND

The genesis of the NAIC's project to codify statutory accounting standards was the adoption of a model law requiring annual independent CPA audits of nearly all companies. This model law, part of the NAIC's accreditation standards, has been adopted by all states.

The model law was developed to assist regulators in understanding the financial condition of non-domestic companies and in performing comparisons among companies. It changed the focus of the independent CPA's opinion on statutory financial statements from that of conforming with accounting practices prescribed or permitted by the state of domicile to accounting practices prescribed by the NAIC.

Under codification, companies still will be required to prepare their statutory financial statements in accordance with their domiciliary laws and regulations. Independent CPAs, however, now will have a common set of rules on which to base their opinion. Significant departures from NAIC codified accounting standards (i.e., state variations) will be disclosed in the *Notes to Financial Statements*. If such departures are deemed material by the CPA, a qualified or adverse opinion on the statutory financial statements could result. However, regulators in one state will know what accounting practices another state has prescribed or permitted.

It should also be noted that if statutory financial statements are used for general distribution (e.g., for policyholders), they must contain an adverse opinion with respect to conformance with generally accepted accounting principles (GAAP), unless it can be demonstrated that the differences between GAAP and SAP are insignificant. This opinion will not be required if the statements are prepared for limited distribution.

PROJECT DIRECTION

The passage of the model law requiring independent CPA audits on statutory financial statements focused attention on the need to have unifying accounting principles. It was recognized that existing statutory accounting guidance was incomplete.

In mid-1994, the NAIC adopted a "Statement of Concepts" to use as a framework for developing statutory accounting principles In addition to describing the underlying principles of statutory accounting -- conservatism, consistency and recognition -- the "Statement of Concepts" contained a hierarchy of how accounting principles are to be applied in the development of financial statements. The development of the statement, along with the NAIC's hiring of a consultant, signaled the beginning of

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Could Class Action Suits, Punitive Damage Awards Threaten Solvency?

By JACK H. BLAINE
President
NOLHGA

Market conduct issues have been very much in the financial news headlines the last two years. Stories have appeared weekly of class action lawsuits against the nation's largest life insurance companies over alleged misrepresentations in the sales of products years ago. Many, such as the so-called "vanishing premium" sales, occurred during the high-interest rate era of the 1980s. Some cases involve allegations of "churning," or the replacement of existing cash value policies

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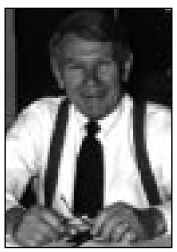
President's Column

DAMAGES, *from Page 1*

Is Policyholder Litigation a Solvency Threat?

with a new product in the same company. Damages, including the cost of restitution for policyholders, grab our attention because of their enormity.



Regardless of how one feels about the merits of these cases, or about the plaintiffs' bar which has struck this litigation bonanza, market conduct litigation is an unfortunate fact of life. That is true both for the policyholders who may have been misled into unwise purchases and the individual insurers, and the insurance industry -- whose reputation has been tarnished -- as a whole.

While these lawsuits are of more recent origin than punitive damages lawsuits, one must at least consider the potential consequences to the solvency of individual companies exposed to either kind of liability if there are no safeguards in the system .Punitive damages and fines for unlawful market conduct are both a punishment and a deterrent against future acts of the same kind. Putting the insurer into liquidation would certainly accomplish both goals, but at an unacceptable cost.

The Alabama insurance commissioner recently obtained a final order of rehabilitation for First National Life Insurance Company (*see story on Page 3*) after determining that it was impaired by about $1.5 million, a condition which occurred following a $1.3 million punitive damage judgment against it. The fact that the judgment was obtained in an Alabama state court comes as no surprise, considering the state's history of such lawsuits. It may be that this company would have been forced into receivership regardless of a punitive damages judgment, but regulators ought to be concerned that market conduct litigation could be a cause of future insolvencies. The precedent exists in other industries, notably manufacturers of asbestos products and breast implants.

One would like to think that the presiding judge - if not the jury - would take into account the financial wherewithal of the company to pay a judgment for extra-contractual damages. Perhaps they focus on assets, and not capital and surplus, in measuring the company's ability to pay. The judicial system surely ought to be mindful of the fact that a company forced into liquidation results in loss to all policyholders. The worst kind of preferential treatment of policyholder-creditors could be the recovery of damages by a relatively few at the expense of the rest who must wait in line at the receivership door.

Guaranty associations provide protection for a high percentage of policyholders, but there are almost always some whose claims exceed the limits. All policyholders suffer from the uncertainties that accompany an insolvency. Although state guaranty associations do not cover punitive damages or other claims of a non-contractual nature, they would cover policyholder liabilities after the successful litigants and counsel have walked away with the company's assets.

While the obvious targets of these recent market conduct cases have been the giants of the industry, such The Prudential, Metropolitan Life and New York Life, it is logical to assume that the plaintiffs' bar will not be constrained as long as the potential for huge fees exists. The viability of the life insurance business is not their concern. What about the AB Life Insurance Company," with $50 million in capital, that was selling similar products in the the same way in the 1980s? Will damages be proportionately smaller -- and therefore, less damaging -- to the company's financial viability? Maybe, but it doesn't take a great deal of imagination to conjure scenarios in which the company is pushed into receivership by an order for restitution to certain policyholders that might appear financially reasonable to non-insurance professionals.

Perhaps the regulators have already focused on these questions and are comfortable that our judicial system will protect against this "doomsday scenario." Tort reform efforts in most states have helped ameliorate against catastrophic results in the punitive damages area, and the industry has had a lengthy history in defending against punitive damages litigation. Also, most people seem to regard Alabama as something of an aberration in this regard. Perhaps, therefore, we cant treat this subject of insolvency and market conduct litigation as one of academic interest. But, on the other hand, I wonder... ▼

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Case Study

Punitive Damage Judgment Helped Lead First National to Rehabilitation

By Willis B. Howard Jr.
Senior Vice President and Actuary
NOLHGA

FNLIC, domiciled in Alabama, is the first insolvency of 1997, as measured from the Feb. 4 date of NOLHGA's involvement. The estimated cost to guaranty associations is only about $550,000. Twenty-eight guaranty associations have potential exposure. The parent company, The American Life Assurance Corporation, was ordered into rehabilitation Feb. 25. ALAC, licensed in only six states, may cost guaranty associations about $900,000. These estimates do not include NOLHGA expenses, budget for which will be determined by March 31.

PUNITIVE DAMAGES THE CAUSE OF INSOLVENCY?

The company blamed a punitive damage judgment in seeking rehabilitation. [See Jack Blaine's discussion of class action suits and punitive damage awards elsewhere in this issue.] According to the minutes of the Sept. 18 board meeting, "The chairman explained that First National Life had been devastated by the huge punitive damage judgment in Butler, Ala., in the matter of *Annie Lee Banks v. First National Life Insurance Company*....The conclusion is that First National simply cannot pay nor can it post bond primarily due to rapidly increasing cash flow problems which have developed to <$6,508,417.00> cash loss through August 1996....The chairman's primary concern is to protect the policy owners and it appears that the only way to do this is to seek regulatory shelter."

Representatives of the Alabama Department of Insurance met with R. K. Hunter, president of FNLIC, on Oct. 2 and informed him of the findings of the Alabama financial examiners. Mr. Hunter advised the department that the company was unable to develop a plan to cure the company's cash impairment and indicated that the company would consent to receivership for the purpose of rehabilitation. On Oct. 4, a copy of the petition and other documents to be filed seeking injunctive relief and the appointment of a receiver were hand-delivered to Mr. Hunter. Judge Sally Greenhaw of the Montgomery County Circuit Court signed the Order of Rehabilitation, preliminary injunction appointment of receiver and other relief. FNLIC was ordered to appear at a hearing Oct. 10 and show cause why a permanent injunction should not be entered. Annie Lee Banks, the judgment creditor, filed a motion to set aside the order of rehabilitation.

FIRST IMPRESSION: NO GUARANTY ASSOCIATION INVOLVEMENT

Six weeks after the FNLIC preliminary injunction and rehabilitation order, Alabama Life and Disability Insurance Guaranty Association Administrator Dotty Neel informed MPC Chairman Frank Gartland that based on discussions with the insurance department, it appeared that NOLHGA involvement would not be necessary due to a pending assumption reinsurance agreement. The Alabama Department of Insurance may have taken at face value the Sept. 18 comment by FNLIC's actuary that "...the company is still statutorily solvent, but has simply run out of cash. Due to this cash shortage, the payment of claims to policy owners is in jeopardy."

Another possible reason for the department's initial belief that guaranty association would not be required stems from the operation of the Alabama rehabilitation and liquidation act. Alabama's guaranty association act closely resembles the 1987 NAIC model act, but the liquidation statute does not conform with the latest NAIC model rehabilitation and liquidation act.

Section 27-32-39 of the Alabama Code provides that "When, upon hearing, the circuit court having jurisdiction of a receivership shall determine it to be in the best interest of the policyholders and the public, said court may order and direct the receiver to reinsure the policies of such insurer with a solvent insurer to the extent of the receivership. The circuit court is hereby empowered **to place a lien or moratorium against policy benefits and values as necessary to reinsure all policyholders as fully as possible to the extent of assets available** and to order the receiver to transfer such assets as determined adequate, necessary or available to reinsure policies of the insolvent insurer with a solvent insurer, to the exclusion of general creditors should no assets remain thereafter." [emphasis added]

See FNLIC, *Page 7*

FIRST NATIONAL LIFE INSURANCE COMPANY

DOMICILED
Alabama

REHABILITATION
Oct. 4, 1996

AFFECTED STATES
28

TASK FORCE CHAIR
Mike Marchman (GA)

TASK FORCE
Dotty Neel (AL)
William Falck (FL)
Phil Hammond (IN)
Gordon Haydel (MS)

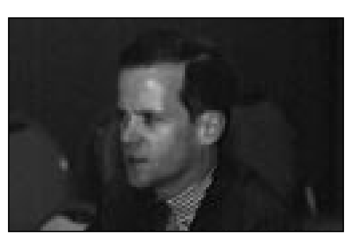
PROJECT MANAGER
Bill Howard, NOLHGA

COUNSEL
Bill O'Sullivan, NOLHGA

FINANCIAL/ACCOUNTING
Paul A. Peterson, NOLHGA

Litigation

Oklahoma Supreme Court Reverses Judgment for Insolvent American Standard



By James W. Rhodes
Partner
Kerr, Irvine, Rhodes & Ables

In an opinion issued Feb. 18, the Oklahoma Supreme Court refused to apply a controversial insolvency priority provision to a contract which had been in existence before the provision's effective date. The decision, in the case of *State of Oklahoma, ex. rel. Crawford v. The Guardian Life Insurance Company of America*, reversed a judgment by the Oklahoma District Court for Oklahoma County in the amount of $15.7 million along with future damages estimated to exceed $30 million. The judgment had been obtained by the Oklahoma insurance commissioner as receiver for the insolvent American Standard Life Insurance Company against The Guardian Life Insurance Company of America, under a 1987 reinsurance agreement between Guardian and American Standard.

The priority statute at issue (36 Oklahoma Statutes § 1928(B)(4)) was enacted in 1988 and disallows a reinsurer's right of offset against an insolvent estate under life and health reinsurance agreements containing "terms or conditions structured to avoid reasonable risk transfer." The provision was aimed at riskless surplus relief reinsurance agreements which bedeviled insurance receivers throughout the 1980s.

Sometimes termed "borrowing" or "renting" surplus, riskless surplus relief reinsurance agreements appeared to pass risk from the ceding insurer to the reinsurer. In reality, however, the formulae establishing mutual liabilities in such agreements provide that the ceding insurer always ends up owing more to the reinsurer than the reinsurer owes back to it. Once relatively common in the insurance industry, such agreements allowed the ceding insurer to reflect on its books surplus attributable to future profits in an acquired block of business. Agreements of this nature, however, often were used by financially troubled ceding insurers to mask their true financial condition from regulators by artificially increasing surplus. Upon the insolvency of the ceding company, the regulator (now the receiver) discovered he or she could not recover any reinsurance proceeds from the reinsurer which utilized its right of offset to prevent liability. Such agreements have become increasingly rare in recent years because of heightened regulatory scrutiny of surplus credits for reinsurers.

> ***Sometimes termed "borrowing " or "renting" surplus, riskless surplus relief reinsurance appeared to pass risk from the ceding insurer to the reinsurer. In reality, however...the ceding insurer always ends up owing more to the reinsurer than the reinsurer owes back to it.***

In 1992, American Standard's receiver, joined by the Oklahoma Life and Health Insurance Guaranty Association as a party intervenor, sued Guardian to recover reinsurance proceeds and to set aside Guardian's right of offset against American Standard's estate under the priority statute. The plaintiffs established at trial that the American Standard/Guardian agreement was structured to avoid reasonable risk transfer. The District Court then applied the priority statute to disallow Guardian's offset right against American Standard Life's estate. Thus, Guardian was ordered to pay reinsurance proceeds under the agreement and get in line with the other creditors to collect amounts owed to it by the American Standard estate.

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CODIFICATION, *from Page 1*

Codification Will Yield Common Set of Accounting Rules

real progress for the codification project.

The project is under the direction of an NAIC working group chaired by Norris Clark, chief of financial surveillance of the California Department of Insurance. Other states represented on the working group are Delaware, Illinois, New Hampshire, New York, North Carolina, Ohio, Pennsylvania, Texas, Virginia and Wisconsin.

Since late 1994, the working group, with assistance from its consultant and NAIC staff, has produced 84 issue papers for public comment. These papers provide statutory guidance for a myriad of accounting issues, ranging from relatively routine items such as accounting for short-term investments, to rather arcane items such as accounting for quasi-reorganizations. [All of the issue papers may be obtained from the NAIC's home page on the World Wide Web at http://www.naic.org.]

A large group of industry parties has been providing comments on the issue papers, resulting in many modifications of the working group's initial papers. At this point, the NAIC has received and considered at least one round of comments on all of the papers released.

The NAIC will also be considering the results of a survey being conducted by Ernst & Young. This survey is being conducted on behalf of seven industry trade associations, in conjunction with the NAIC, for two main purposes: (1) to estimate the impact of codification on industry capital and surplus and (2) to determine where guidance in the issue papers may be unclear.

The NAIC is planning a second release of all issue papers for public comment at or immediately following the March NAIC Spring National Meeting in Orlando, Fla. During an approximate six-month exposure period, one or more public hearings will be held to receive and consider additional comments from interested parties.

GUARANTY ASSOCIATION ASSESSMENTS

An issue paper of particular interest to guaranty associations is "Guaranty Fund and Other Assessments" (Issue Paper No. 35), which, if adopted, would require companies to accrue a liability for guaranty fund assessments when (a) an insolvency has occurred and (b) the amount of the loss can be reasonably estimated. Applicable premium tax offsets and policy surcharges are to be recognized in the establishment of the liability.

Among other things, companies will require information about the amount of the insolvency subject to guaranty association coverage, the amount of cash the guaranty associations have available from other sources (e.g., inter-fund borrowing or the application of excess cash from other insolvencies and the estimated timing of cash flows to estimate the amount of investment earnings available to the guaranty associations) in order to establish the liability. The most logical sources to provide such information are NOLHGA and the NCIGF. Developing this information in a timely manner could be a substantial undertaking, particularly for NCIGF, due to less certainty about the obligations to property and casualty policyholders.

The proposed statutory guidance is similar to GAAP guidance being proposed by the American Institute of Certified Public Accountants for life and health companies. For property and casualty companies, the major difference is that the AICPA would require a liability to be established as the premiums are written. Guaranty fund assessments for P & C companies are based upon prospective premiums. This is not an issue for life and health companies, since their assessments are based upon retrospective premiums; therefore, the all-time liability is established at the time the insolvency occurs. The NAIC's issue paper does not consider when premiums are written as a criteria for establishing a guaranty association liability.

CONCLUSION

The codification of statutory accounting principles has been a tremendous undertaking for the NAIC, the states and the industry. A number of issues must be resolved before the codification can be implemented: (1) specific concerns with proposed accounting guidance in several of the issue papers, including the accounting guidance on guaranty fund and other assessments; (2) state autonomy vs. uniformity (i.e., will states adopt codification in total or continue to require accounting unique to their own situations or continue to allow "permitted" practices); and (3) the role of the state legislators (i.e., the NAIC must gain acceptance of the codification project by state legislators since many states mandate following NAIC accounting practices and procedures by statute).

The remainder of 1997 should yield the answers to these and many other questions pertaining to the codification project. ▼

About the Author

David A. Nachman is vice president, accounting, of The Prudential Insurance Company of America's Financial Regulatory Liaison Unit.

Mr. Nachman worked briefly as a certified public accountant before he joined The Prudential in 1973, working in the comptroller's department at PRUPAC, the company's property and casualty subsidiary. He worked for Prupac's regional office for a few years before returning to the comptroller's department in 1978, and was transferred to the parent company's Tax Division in 1989 to work on tax compliance and planning. Following nearly a year spent working on the rehabilitation plan for Mutual Benefit Life Insurance Company, Mr. Nachman began his current assignment of representing Prudential on financial matters with the NAIC.

Mr. Nachman holds a degree in Mathematics from St. Lawrence University and an advanced degree in Accounting from Pennsylvania State University. He became a CPA in 1973, a CLU in 1991 and a ChFC in 1993.

NOLHGA*Net*

The Litigation Database is up and running. The database, part of NOLHGA*Net*, features public documents (decisions and selected briefs) generated by litigation involving guaranty associations. At this time, the database is restricted to guaranty association personnel and their legal counsel. **To obtain a password, please, call Beth Watson at 703/318-1162.** Litigation Database privileges will be given to administrators only, who in turn can grant additional access at their discretion. **To visit the database, first obtain the NOLHGA*Net* password and then call Denise Combs at 703/318-1185 for individual litigation area passwords.**

The group appointed by the NOLHGA Board of Directors to evaluate NOLHGA*Net* had its first meeting Feb. 20 in conjunction with the MPC meeting in Los Angeles. The group is drafting a work plan and planning a NOLHGA*Net* demonstration at a future MPC meeting. A survey will be distributed this month to guaranty association administrators to determine their systems capabilities.

Legal Seminar

NOLHGA's Sixth Annual Legal Seminar is scheduled June 23-24 at the Buena Vista Palace at Disney World Village in Orlando, Fla. Topics to be covered: assignments; changes in guaranty association and liquidation model acts; the potential impact of new products on guaranty associations; and the prosecution of wrongdoers for fraud. The Legal Seminar Committee is also considering a discussion on ethics.

Many states have approved past seminars for continuing legal education credit. NOLHGA will keep attendees up to date on the amount of credit awarded by each state as this information becomes available.

The seminar is tentatively scheduled to begin at 9 am EST on June 23 and adjourn at 11:30 am on June 24. Information packages will be mailed in April. For more details, call Angela Franklin at 703/318-1186.

Presidential Search

The NOLHGA Board of Directors has retained JDG Associates, Inc., of Rockville, Md., to conduct the search for NOLHGA's next president. Jack H. Blaine, president since February, 1992, will retire at the end of the year. The Board also appointed a Qualifications Committee to assist with the development of criteria and skills. JDG will send information to NOLHGA's constituencies in the near future. ▼

PRIORITY, *from Page 4*

Guardian appealed the judgment, arguing that the 1988 statute could not be applied to the 1987 contract without retroactively impairing Guardian's contractual right of offset. The case generated a great deal of interest, prompting amicus briefs in support of Guardian by the Reinsurance Association of America and the American Council of Life Insurance, among others. The receiver and the guaranty association were supported in an amicus brief filed by the National Association of Insurance Commissioners.

The Oklahoma Court of Appeals, an intermediate appellate court, affirmed the judgment, holding that Guardian was not being deprived of any contractual right and that the priority statute merely had readjusted Guardian's priority in the insolvency proceedings. The Oklahoma Supreme Court, however, held that Guardian's offset right was "expressly called for in the contract" and rejected the notion that applying the statute would merely change Guardian's priority in the insolvency.

The court ruled that Guardian's rights and obligations had arisen prior to the effective date of the statute and application of the statute would effectively "rewrite Guardian's contract," something not intended by the legislature. The court reversed the judgment and remanded the case to the District Court with instructions to enter judgment for Guardian. American Standard has been in rehabilitation since February, 1991. Based upon the judgment against Guardian, the receiver had hoped that the company could be rehabilitated and sold without the involvement of guaranty associations. The reversal of the judgment appears to make American Standard's liquidation inevitable. ▼

About the Author

James W. Rhodes is a partner at Kerr, Irvine, Rhodes & Ables. He serves as general counsel and assistant administrator to the Oklahoma guaranty association.

Mr. Rhodes, a graduate of Wesleyan University and the University of Oklahoma Law School, is the author of several articles on the guaranty system and the law of insurer insolvency.

Case Study

FNLIC, *from Page 3*

Will Damage Awards Contribute To More Insolvencies?

The provision clearly permits the receiver to reduce contractual benefits to policyholders. The receiver entered negotiations with American Pioneer Life, and on Nov. 7, Judge Greenhaw approved the receiver's petition for approval of the assumption reinsurance agreement and the transfer of all FNLIC policies (except 171 major medical policies) to American Pioneer, effective Oct. 1.

WHEN IS PREFERENCE AMONG POLICYHOLDERS PERMITTED?

The use of an insolvent company's assets for the benefit of some but not all policies raises a question of preference in payments to policyholders. However, § 27-32-40 of the Alabama code provides that "The circuit court having jurisdiction over a receivership for liquidation or rehabilitation pursuant to the insurance laws of this state **may distinguish between classes of policyholders or beneficiaries and establish priorities for each such class** for payment of claims, sharing in the assets remaining or for reinsurance purposes. In establishing priorities among classes of policyholders and beneficiaries, death claims payable on life insurance contracts, cash surrenders payable, annuity holders, paid up policies, single premium policies and other such classifications may be used by the court in establishing priorities for payment of claims or for reinsurance of policies." [emphasis added]

The assumption agreement closed Nov. 27 (one week after Alabama department's hopeful discussions with Alabama guaranty association) despite a $900,000 shortfall in assets transferred to American Pioneer. One may reasonably infer that American Pioneer regarded this shortfall as a ceding commission, which it could recoup from future profits on the block of business assumed from FNLIC. This is possible due to American Pioneer's requirement of 15 percent premium increases in two successive years.

SECOND IMPRESSION: GA SUPPORT MAY BE NEEDED

Post-closing adjustments resulted in FNLIC owing American Pioneer $650,000, in addition to $567,000 for pre-effective date claims on the reinsured block. The estate also faced $700,000 in claims on the retained major medical policies. On Jan. 24, the Receiver and American Pioneer petitioned the court to approve a secured loan agreement under which American Pioneer would lend FNLIC $1.5 million, secured by a mortgage on the FNLIC home office building. That loan, and the $700,000 in cash remaining in the company, was not enough to pay claims, post-closing adjustments, and administration costs. The projected cash shortfall led the receiver to seek guaranty association support Feb. 4.

The MPC Chairman appointed a NOLHGA Task Force Feb. 7, chaired by Mike Marchman of Georgia, and the task force met with the FNLIC receiver, Reyn Norman, Feb. 10 in Montgomery, Ala., to determine the status of the rehabilitation and develop a joint work plan. The parties agreed to engage a claims auditor to review a sample of the approximately $700,000 in major medical claims that had been processed, but not paid. That audit is scheduled to begin March 17, and the auditor's report is due March 31. Guaranty associations and the receiver will have the benefit of the auditor's opinion on whether their obligations are being met.

The Montgomery Circuit Court approved the mortgage loan Feb. 18, and on Feb. 20 the reinsurer used funds from the first of two closings to pay claims incurred before the effective date of the reinsurance transaction. Following the expiration of the 42-day appeal period on this order, the rehabilitator will use funds from the second closing to pay outstanding major medical claims.

HOW LONG WILL THIS ONE TAKE?

The FNLIC receiver also plans to file a petition for liquidation on or about April 1. Guaranty associations could be triggered by May 12, at the end of the appeal period for the liquidation order. The major medical policies have been cancelled, effective on their renewal dates, so most policy owner claims should mature quickly. Guaranty association obligations to most FNLIC policyholders could be met by the end of May, seven months following the rehabilitation order, and four months following NOLHGA involvement. However, continuation of coverage requirement in some states may result in additional claims for a presently unknown period. The receiver and the task force will establish a time line for ALAC following NOLHGA's review of policyholder obligations, to begin by March 31. ▼

Endnote

These two small companies are quite unlike the major insolvencies of the early 1990s and much like some of the small health insurance company insolvencies of the late 1980s. With the medium and large companies consoldiating, one might speculate that FNLIC and ALAC, rather than Executive Life, Mutual Benefit Life, Kentucky Central or Confederation Life, may be the model for guaranty association system activities in the late 1990s - until the next big one.

1997 CALENDAR

APRIL	MAY	JUNE
1-2 Communications Committee *Chicago* 24-25 NCIGF Annual Meeting *Denver*	1-2 NOLHGA Legal Committee *Phoenix* 7 NOLHGA Board of Directors *Northern Virginia* 21-23 Members' Participation Council *Des Moines, Iowa*	8-11 NAIC Summer Meeting *Chicago* 23-24 Sixth Annual Legal Seminar *Orlando, Fla.*

JULY	AUGUST	SEPTEMBER
29 NOLHGA Board of Directors *San Francisco*	19-21 Members' Participation Council *Milwaukee*	21-24 NAIC Fall Meeting *Washington, D.C.*

OCTOBER	NOVEMBER	DECEMBER
15 NOLHGA Board of Directors *San Antonio* 15-17 14th Annual Meeting *San Antonio*	17-19 Members' Participation Council *Louisville, Ky.*	7-10 NAIC Winter Meeting *Seattle*

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