

Minnesota Department of Commerce News & Insurance Regulatory Update

By David M. Aafedt on December 16, 2011

On December 15, 2011, Minnesota Commissioner of Commerce Mike Rothman announced several high-level appointments at the Department following the departure of key, long-time Department leaders Deputy Commissioner Kevin Murphy and Assistant Commissioner Jaki Gardner. The new appointments are:

Jaki Gardner's replacement is Blaine Shepherd. Blaine will serve as acting Assistant Commissioner for the Insurance Division. Since joining the Department in 2002, Blaine has worked as a valuation actuary. In that role, he has been primarily responsible for monitoring the solvency of insurance companies, especially review of related actuarial filings. Shepherd is very active with the National Association of Insurance Commissioners (NAIC) representing Minnesota as a member of the Life Actuarial Task Force, and the Capital Adequacy and Valuation of Securities task forces.

Commissioner Rothman has also asked Rick Theisen to serve as Chief Financial Examiner for the Insurance Division. Theisen will organize and direct the financial examination of domestic insurance companies doing business in Minnesota. He will manage the Department's insurance examination staff in accordance with the Risk Focused Examination process, and coordinate financial solvency oversight to ensure full compliance with NAIC accreditation standards and statutory requirements.

Kevin Murphy's replacement is William Horlitz. Mr. Horlitz will serve as acting Deputy Commissioner for the Financial Institutions Division. Mr. Horlitz has served as Assistant Commissioner of the Financial Institutions Divisions since 2002. In that role, Horlitz was responsible for the on-site examination and monitoring of the financial condition of state-chartered banks, credit unions, thrift companies, and finance and mortgage companies. Horlitz's experience includes 29 years with the FDIC, where he spent 10 years as a bank examiner in the Midwest and 19 years as a field manager.

Commissioner Rothman also announced the appointment of Robert Moilanen who will serve as the Director of Securities. The Securities unit oversees Minnesota's securities industry (including broker dealer and investment advisor licensing), and franchise regulation, among other areas. Mr. Moilanen was most recently a partner at the Anthony Ostlund firm.

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And last, but certainly not least, is Dennis Ahlers. Dennis will serve as Assistant Commissioner for the Commerce Department's Division of Energy Resources (DER). His primary responsibilities will be overseeing the Department's regulatory efforts on telecommunications issues, and managing the Department's efforts to ensure the reliability of the state's electric transmission system. Dennis Ahlers served for 12 years as associate general counsel for Integra Telecom, Inc., and 16 years as a Minnesota Assistant Attorney General. Ahlers has decades of experience in utilities regulation, representing clients before state utilities commissions and the FCC.

Kudos to Commissioner Rothman on these solid appointments.

With that said, the Commissioner still has not yet filled the Deputy Commissioner of Enforcement position that has remained vacant since the early 2011 departure of Manny Munson-Regala (who has since joined Ceridian). Although this may sound a bit odd, the insurance community is anxiously awaiting this appointment, notwithstanding the fact that it will be the Enforcement division that the individual will oversee.

Other Minnesota Insurance Regulatory News

Liquidation Proceedings Commenced Against Minnesota Surety and Trust

For the first time in ten years, in late November, the Department of Commerce commenced legal proceedings in Ramsey County District Court to liquidate troubled bail bond company Minnesota Surety and Trust. The company had been battling regulators in Minnesota and Colorado for years, including an enforcement brought by the Department against it for fraudulent and dishonest practices. The Ramsey County liquidation proceeding, though, is due to the company's failure to maintain its capital and surplus at the agreed to levels.

Health Insurance Exchange Website Live

Earlier this month, the Department announced that "exemplar" Minnesota health insurance exchange websites were available to the public to test and on which to offer input. It is hoped that Minnesota's Health Insurance Exchange will provide consumers with a simple way to find, compare, choose, and purchase health care coverage, much like Orbitz or Expedia does for travel. According to Rothman, the goal of this "test" version is "to gather input from as many Minnesotans as possible, including consumers, small businesses, insurers, health care providers, navigators, agents and brokers." The Department of Commerce, along with the Minnesota Department of Human Services, is working on infrastructure planning for an Exchange.

Happy Holidays.