

**For immediate release June 9, 2011**

## **RRG Legislation Gains Steam with Introduction of Bill into U.S. House**

**Burlington, VT**—The industry's leading risk and insurance management associations joined in unison to praise the introduction of HR 2126 into the U.S. House of Representatives, Friday, June 3. The bill was referred to the House Committee on Financial Services. This action ends two years of waiting for this bill to arrive in Congress. For at least the last decade, risk managers have sought relief to stop discriminatory practices by some states against risk retention groups.

The introduction of the bill was lauded by the Self-Insurance Institute of America, Inc., the Risk & Insurance Management Society and the National Risk Retention Association. They have fought to modernize the Liability Risk Retention Act of 1986 and argued for an enforcement mechanism when states are in non-compliance with the federal act. If enacted as written now, the legislation will also allow RRGs to write commercial property insurance.

"NRRA is hopeful that this legislation will facilitate dispute resolution between RRGs and some of the states that choose not to adhere to the limitations imposed on them by federal law," said Brian Braley, Chair of the NRRA board, in a release issued by the association.

"I and others in the captive industry have waited a long time for modernization of the LRRR of 1986," says Len Crouse, Partner with The Towner Management Group, a member of the Government Affairs Committee of the NRRA and a former, long-time captive insurance regulator for Vermont. "This is a promising start, which can be brought to a satisfying conclusion if the bill is also introduced in the Senate and eventually passed and signed into law."

The SIIA expects Senator John Tester (D-MT) to introduce a similar bill in the Senate. Rep. John Campbell (R-CA) and Rep. Peter Welch (D-VT) introduced HR 2126 in the House.

To learn more about how risk retention groups or other risk financing vehicles might help your risk financing efforts, contact the independent professionals at Towner Management.