

**Overview of NCIGF Strategic Plan
Putting Consumers First: The State Guaranty Funds Moving Forward Together
October 17, 2007**

The National Conference of Insurance Guaranty Funds (NCIGF) board of directors launched the Strategic Planning Committee (SPC) initiative in January 2006. The board, recognizing that the insurance insolvencies that had occurred in the first few years of the 21st Century were markedly different from the insolvencies that had driven the creation of guaranty funds in the 1970s, asked the committee to conduct an objective, systematic and thorough review and assessment of the state-based property and casualty guaranty fund system and its trade association, the National Conference of Insurance Guaranty Funds (NCIGF).

The Strategic Planning Committee was asked to analyze the challenges facing the property and casualty guaranty funds today, the challenges the guaranty funds would be facing in the future and how the NCIGF could work more effectively and efficiently to help its members fulfill the core mission of “paying the claims of insolvent insurers.” The committee’s research will provide the foundation for the future of the property and casualty guaranty fund system, helping chart the future of the system and the NCIGF.

Dr. Terri Vaughan and Dr. Robert Cooper, faculty members from Drake University, were retained to bring seasoned research and analytic skills and a solid grounding in the insurance industry to the effort. Vaughan, a former Iowa Insurance Commissioner, had served as president of the National Association of Insurance Commissioners (NAIC).

They began their task in July 2006 with an extensive review of literature about guaranty funds as well as the written work product of three NCIGF events, the November 2005 Workshop, the January 2006 Board & Planning Meeting and the April 2006 Annual Meeting. Guaranty fund staff members, insurance companies, receivership practitioners and current and former chief insurance regulators were participants in these NCIGF events.

Following this review, extensive surveys were developed by the consultants and the NCIGF Strategic Planning Committee. In order to obtain the optimum feedback on key issues, surveys included a core group of questions for all participants, as well as unique questions tailored to the specific stakeholder groups.

From September through November 2006, Drs. Vaughan and Cooper administered surveys and interviews with over 600 persons from the various stakeholder groups. Among many topics, they questioned the insolvency community’s stakeholders on how well the guaranty funds and the NCIGF work today. They asked for suggestions on how to work within the insolvency system to meet the responsibilities of paying policyholder claims more effectively to best meet the challenges of the future. The surveys and interviews probed key aspects of guaranty fund operations and practices.

Following review of the results of the Vaughan and Cooper study at the 2007 NCIGF

Annual Meeting, seven working groups were created to examine issues the SPC identified related to key areas that emerged:

- Gaining a consensus on the primary guaranty fund mission
- Operations and support
- Coordination and cooperation
- Uniformity
- Communications/public relations/education
- Board of directors issues
- Preparing guaranty funds for change

The working groups included representatives from guaranty associations and the insurance industry. All NCIGF member guaranty funds were invited to participate in this critical planning stage and to provide thoughtful recommendations in the key areas identified from the survey results.

The working groups examined the issues raised in the Vaughan & Cooper surveys, developed strategies for improvement – including suggested best practices – and reported their recommendations to the SPC.

Taken together, the working group reports provide a roadmap for moving forward the NCIGF and the state-based property and casualty guaranty funds into an efficient and effective system of state guaranty funds by identifying substantive goals, strategic vision and tactical support for achieving the identified goals and vision.

Vision and Mission Statements, along with Shared Values and Strategic Goals of the State Property and Casualty Guaranty Fund System and the NCIGF are shown on www.ncigf.org.