



Captives

EMBRACING

BIG IDEAS & BOLD MOVES

LAS VEGAS, NEVADA
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WESTERN REGION CAPTIVE
INSURANCE CONFERENCE, LLC

RRGs: Emerging Developments

Presenters:

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9:20 - 10:10 am, Tuesday, April 21, 2026




BRIDGING THE GAPS In Risk Retention Group Developments

- Safety Regulation  Insurance Regulation
- Misinformation  Accurate Information
- The Courts' Interpretation of the Law  Regulators' Interpretation of the law
- Claims Development  Risk Management
- Regulators Policing RRGs  RRGs Policing Yourselves
- Domicile Regulation  Non-domiciliary Regulation


Bridging the Gaps, cont'd

- **Safety Regulation**  **Insurance Regulation**
- **Freight Waves Article** – *“How Risk Retention Groups, Chameleon Carriers, and a Broken Insurance Market Are Leaving Crash Victims With Nothing...”*
- **Possible Roles for Actuaries Working with RRGs in development**


Bridging the Gaps, cont'd

- **Misinformation**  **Accurate Information**
- **Impact of thirty (30) states registration laws that are preempted by the LRRRA. How do you fix that?!**
- **Spirit Hawk and the guarantee funds**

Bridging the Gaps, cont'd

- **The Courts' Interpretation of the Law** 
Regulators' Interpretation of the law
- **YRIG v. Texas DOI (March 2026) Alabama District Court Decision**

Bridging the Gaps, cont'd

- **Claims Development**  **Risk Management**
- **They didn't teach us this in Claims School ...
teeing-up key points for your carrier-client to
help protect its RRG.**

Bridging the Gaps, cont'd

Regulators Policing RRGs  RRGs Policing Yourselfes

- Importance of RRGs self-governance
- Directors and Officers Training
- Benefits to your domicile

Some Key Take Away Points

- The solution to all of these cases lies in education and communication, as political/legislative amendments would be too challenging for all of us.
- The state law cases vastly outnumber the number of regulator cases
- Misinformation spanning decades has resulted in a misguided failure in statutory language to distinguish between an “authorized” insurer versus one that is “licensed and admitted.”
- Only the domiciliary state has the plenary authority to determine the validity, i.e., existence of an RRG.

Some Key Take Away Points (continued)

- Contractual liability (such as coverage for dealer warranties or service contracts) is within the federal definition of “liability insurance.”
- Non-domiciliary states must seek injunctive relief in courts of competent jurisdiction to restrict an RRG and that **cease and desist orders are illegal**.
- State administrative hearing courts are not courts of competent jurisdiction.
- NRRA HELPS TO HELP – With the help of the RRG Working Group, and NAIC’s support, we can fulfill our mission that regulators should be our friends not our foes!

QUESTIONS?

Bridging the Gaps: Appendix Slides

Domicile Regulation  **Non-domiciliary Regulation**

The Following Comparison might be helpful

The Role of State Regulation

Traditional insurers

- Financial analysis
- Financial exams
- Rates & forms
- Market conduct

Risk Retention Groups

- Financial analysis
- Financial exams
- Plan changes
- Complaints*

**very low volume of complaints due to ownership and insureds being one and the same*

NAIC Financial Regulation Standards & Accreditation Program *

States that charter Risk Retention Groups are subject to financial regulation standards that are essentially the same, with some modifications and adaptations (“accreditation interlineations”) to meet the unique needs and conditions of the RRG marketplace and to comport with the Liability Risk Retention Act.

Credits: Christine Brown VT DFR & Sandy Bigglestone SRS *