As the self-insurance/alternative risk transfer industry continues to evolve both domestically and internationally, it is more important than ever that it has a strong and nimble association to protect and promote the business interests of corporate risk takers and their service provider partners. The Self-Insurance Institute of America, Inc. (SIIA) will not disappoint.

In fact, SIIA’s elected leadership has been working quietly since the beginning of the year considering how the association should position itself to ensure that it can continue its nearly 30-year tradition of providing forward-thinking membership benefits and services. This work has resulted in a strategic modernization plan that will be rolled out over the next couple of months.

Central to this plan is the creation of four new “section” memberships: Health Care, Workers’ Compensation, Alternative Risk Transfer and International. This change in organizational structure is designed to allow SIIA to provide more targeted membership services and benefits while continuing to serve as a “one-stop-shop” for those companies that have an interest in the broader self-insurance/ART marketplace.

SIIA believes that this approach reflects how sophisticated organizations address their risk management issues holistically rather than segmenting risks into “silos.” For example, an increasing number of employers may self-insure some risks while utilizing an ART program for other risks. And in today’s global economy, it is more often than not that companies that have international risks that can be self-insured and/or insured through a captive program.

Under this new structure a member company may designate one or more representatives for each of the membership sections at no additional cost. This will effectively serve the needs of employers who have executives responsible for different types of corporate risk. It will also allow SIIA to better represent service provider members that are diversified (or would like to be) with regard to industry market segments.

It is also expected that this initiative will help the association better define its brand within the self-insurance/ART marketplace. This has been a particular challenge for SIIA given its unique mission.

Unlike most other trade associations that represent specific types of companies, SIIA represents an “industry.”

Its established mission statement, “to protect and promote self-insurance and alternative risk transfer,” means that the association’s specific activities may change or evolve periodically based on market conditions, legislative threats or other developments which can impact the ability of employers to utilize self-insurance and/or alternative risk transfer solutions, either in a positive or negative way.

So SIIA’s updated “brand” may be best articulated as the association that helps its members understand how key segments of the industry fit together, while delivering targeted membership services consistent with each member’s specific needs.
So what can members expect from a modernized SIIA in terms of focus and initiatives? We caught up with the association’s elected leadership who share some of their thoughts.

**Health Care**

There is no doubt that SIIA has its roots in the self-insured health care arena and continues to be the dominant player within this industry segment. The mission now is to build on this success while fending off the greatest legislative threats ever to the ability of employers to self-insure group health plans that are expected during the 111th Congress.

“Perhaps the biggest advantage of being self-insured is that employers have control over how their group health plans are structured and operated,” said SIIA Chairman of the Board Nigel Wallbank, who is also president & CEO of Strategic Health Development Corp. “But it is only an actual advantage if employers and their business partners are properly informed and educated about the most effective plan design and utilization strategies.”

According to Mr. Wallbank, there is a lot of innovation taking place in the health care marketplace and SIIA is committed to helping its members better understand what strategies actually generate positive results. In this regard, he sees SIIA strengthening its position as the best and most comprehensive source for quality educational content on cutting edge topics such as medical tourism, data-mining and subrogation.

The association also expects to further ramp up its communications to the general business community to help companies understand the advantages of self-insurance consistent with this goal of expanding the self-insurance/ART marketplace.

Looming over all of this positive SIIA activity, however, is the threat of legislative action at the federal level that could effectively dismantle the employment-based health care system, and with it, the self-insurance (health care) industry. For a variety of reasons, the current threat is even more serious than the threat posed by the Clinton health care plan more than a decade ago.

But just as SIIA rallied the industry to fight yesterday’s threat, it has already started to do so in response to the threat we face today.

On that note, it’s worth commenting that SIIA has brought in a completely new Washington, DC-based lobbying team over the past year as two of its most high profile lobbyists have retired. While change can be unsettling, the young team that has been assembled has already been remarkably effective in ensuring that SIIA is well represented on Capitol Hill.

The lobbying battle promises to escalate in 2009 and you can expect SIIA to be in the middle of the fight.

**Workers’ Compensation**

Given that workers’ compensation is regulated on the state level and there are multiple state-specific self-insurance associations, the obvious question arises as to what is SIIA’s value proposition for workers’ compensation self-insurers and their service provider partners given that it is a national organization.

Freda Bacon, SIIA’s chief financial officer and administrator of the Alabama Self-Insured Workers’ Compensation Fund, sees this value proposition very clearly:

“SIIA has always impressed me with its focus on ‘big picture’ issues of interest to workers’ compensation self-insurers. As a senior executive, I want to know about such things like excess insurance pricing trends, innovative TPA partnership approaches and legislative/regulatory developments with national implications. I get that from this association.”

Picking up on Ms. Bacon’s comment regarding SIIA’s leadership on legislative/regulatory developments with national implications, there are two main developments currently on the association’s radar screen.

First, some federal health care reform proposals would make it more difficult for workers’ compensation self-insurers to obtain access to personal health records necessary for claims adjudication purposes. The other main issue on SIIA’s radar is new state regulation of group self-insured workers’ compensation funds in response to isolated problems within specific states.

Its commitment to a “big picture” educational theme can be seen at this year’s National Conference, where the indus-
try’s top expert and speaker, Richard Pimentel, will talk about two subjects you will not hear anywhere else: How workers’ compensation self-insurers should be preparing for the wave of National Guardsmen and reservists returning from active duty who bring home with them certain physical and/or mental injuries; and how changes to the Americans with Disabilities Act will impact return-to-work programs that workers’ compensation currently rely upon.

Ms. Bacon also points to the unique networking opportunities that SIIA is positioned to provide. “I know that when I attend a SIIA workers’ compensation conference, I can network with my peers from other states, as well as visit with senior executives from almost all of the excess insurance carriers doing business in our market today. That’s a huge benefit.”

**Alternative Risk Transfer**

Over the past few years, SIIA has ramped up its activities and membership services in the area of alternative risk transfer (captives, RRGs, etc.) in direct response to the interest expressed by its employer members who have wanted to be educated about all of the sophisticated risk management solutions that ART programs can provide.

These employer members, along with a growing number of service provider members doing business in the ART marketplace, have also been well served by SIIA’s high-powered government relations capabilities.

When the IRS published proposed regulations last year that would adversely impact certain captive insurance companies, SIIA unleashed a team of lobbyists who coordinated meetings with key members of Congress and IRS officials. Faced with such intense opposition spearheaded by SIIA, the adverse regulations were withdrawn.

More recently, SIIA has been the industry leader in the development of legislation to modernize the Liability Risk Retention Act (LRRA), which would expand the self-insurance/ART marketplace while responding to problems with non-domiciliary state improperly regulating risk retention groups.

“SIIA’s lobbying capabilities on these issues of great importance to the ART industry has been truly impressive,” said SIIA President Dick Goff, who is also managing member of the Taft Companies. “It’s important to emphasize that SIIA is the only self-insurance/ART association that has a full-time lobbying presence in Washington, DC and that this investment has been paying big dividends.”

**International**

The world is getting smaller and SIIA has been paying attention.

The association’s new commitment to helping its members identify and understand global business opportunities was demonstrated earlier this year at its international conference in Barcelona, Spain, which attracted senior level self-insurance/ART executives from 17 countries.

“The good news is that by making Barcelona such a success, we are now able to focus on expanding our interna-
tional effort,” commented SIIA’s president-elect Armando Baez.

Mr. Baez, who serves as vice president of Global Benefits Group, is credited with helping lead SIIA into the global marketplace and the formation of a very active International Committee.

He notes that an increasing number of U.S.-based companies have foreign risk exposures which could be self-insured or covered through an ART program so SIIA has a clear mission to help educate these companies on international risk management solutions available to them and connect them with key business partners.

Mr. Baez also points out that there is a thirst for expert information regarding self-insurance/ART from many emerging markets around the world including China, India, the Middle East and South America. In this regard, he expects that the association will be successful in connecting U.S.-based expertise with foreign-based companies and/or governmental entities...creating some great new business partnerships along the way! This activity will be driven by the association’s International Committee, now entering its second year in operation, which includes senior executives from companies based in several key business centers around the world including London, Paris, Argentina, Canada and the Middle East.

**So What’s Next...**

You have now heard who SIIA is and the direction it will be moving, so what’s next is the obvious question.

Between now and the end of the year, SIIA will distribute detailed communications to its members explaining how they can take full advantage of the section membership structure, as well as the specific new membership benefits that will be rolled out.

Like any membership organization, SIIA’s success is directly linked to the interest and involvement of its members. In this regard, the association’s elected leadership is hopeful that the renewed focus and energy that has been described will encourage your active participation in what promises to be a great future era for our industry.