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Risk Services , LLC

Memo

To: Our Risk Retention Group Clients with Websites
From: Jon Harkavy, Executive Vice President/General Counsel *Jon*
Date: February 11, 2015
Re: WEBSITE CONTENT

1. We wish to remind our risk retention group (RRG) clients that maintain websites of the importance of ensuring compliance of these sites with both the Federal Liability Risk Retention Act (LRRRA) and non-domiciliary state regulation not preempted by the LRRRA: It is a mandate of the LRRRA that the name of the RRG must include the phrase "Risk Retention Group". Websites should therefore reflect the full and complete name of the RRG.
2. Given the constraints imposed under the LRRRA and the limitations that may be imposed by each of our RRG client's registration status in each state, the following NAIC recommended disclaimer language should be prominently displayed in all RRG websites:

This electronic information is published by XXXXXXXXXXXXXXX, a risk retention group, for educational purposes only and is not intended to be a solicitation or sale of insurance to any person not eligible for membership or in states where the risk retention group has not filed its registration as required by the federal Liability Risk Retention Act of 1986 (LRRRA). Risk retention groups operate under the federal Liability Risk Retention Act of 1986 and provide insurance for the common liability risk exposure of eligible group members.

Policies issued by a risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for risk retention groups. This electronic information is intended solely to provide general information and is not intended to constitute legal advice. If legal advice is desired or needed, an attorney should be consulted.

3. As a reminder, there is no preemption under the LRRRA for state laws that require the licensure of persons acting on behalf of a RRG. Any individual or entity acting in a marketing capacity for the RRG and/or receiving commission-based compensation may be subject to state producer licensing.

Please call Jon Harkavy at (202) 471-5946 should you seek further guidance.