The year’s end is almost here and I imagine many of you will be taking some well-deserved time off to be with your families during the holiday season.

Let’s enjoy the time while it lasts as January will bring a return to Session in state government and the Capitol will again be abuzz with activity.

What will year two bring to this legislative cycle?

One change coming this Session is a new calendar. Session days have been front-loaded in January and February in order to end session on June 2. This change is to allow lawmakers to prepare for June congressional and state primaries. The June primary is a first for state lawmakers after the Legislature approved a consolidation of both primary dates -- state and local primaries were previously held in September.

Moderate incumbent Democrats are bracing for primary challenges from progressive candidates. Already we’re seeing ads targeting Long Island Democrats that were key to flipping the State Senate into Democratic control. In the Assembly, several long-tenured members of the Chamber are facing primaries as well.

All 213 legislative seats are up for election next November when greater turn out is expected due to the presidential election.

This could equate to more bad news for Republican candidates who will face increased numbers of registered Democrats in almost all districts. The effects can already be seen as 8 incumbent Republican state senators have announced their decisions to not seek re-election. It is worth noting that the Democrats, who already hold a veto-proof majority in the Assembly, are currently two senators shy of the same in the Senate.

Legislative Priorities

Emboldened by the blue wave, the new Senate Majority went to work in 2019 passing major pieces of legislation including historic rent protections, congestion pricing in New York City, codifying women’s right to choose, and granting drivers licenses to undocumented workers.

This year, the Majority will try to continue that momentum with a push for expanding consumer privacy measures, mandated employee benefits (continued on page 5)
New Faces at DFS

My Chi To
Executive Deputy Superintendent of the Insurance Division

My Chi To was appointed to this position in late November and will oversee the regulation of 1,400 insurance companies with assets of $4.7 trillion.

My Chi was a partner in Debevoise & Plimpton’s restructuring group and global insurance practice. She represented clients across the insurance industry, including insurers, reinsurers, pension funds, private equity firms and other capital providers, in a wide range of transactions and restructuring matters. This included state insurance restructurings and liquidations, insurance holding company bankruptcies, reinsurance transactions, reserve and other financing, pension risk transfers, and other complex transactions and restructurings involving insurance businesses.

My Chi will also join New York State’s Committee for the Advancement of Women in Leadership in Financial Services, which was announced by Governor Andrew M. Cuomo in September.

Justin Herring
Executive Deputy Superintendent, Cybersecurity Division

Justin Herring was appointed to head the newly-created Cyber Security Division in May of 2019.

This Division will focus on protecting consumers and industries from cyber threats by enforcing the Department’s cybersecurity regulations, advise on cybersecurity examinations, issue guidance on DFS’s cybersecurity regulations, and conduct cyber-related investigations in coordination with the Consumer Protection and Financial Enforcement Division. The Division will also help the industry protect itself by disseminating trends and threat information about cyber-attacks.

Mr. Herring was most recently Chief of the U.S. Attorney’s Office of New Jersey’s first Cyber Crimes Unit, supervising all cybercrime cases in the state including national security threats, malware and ransomware campaigns, major hacks targeting corporations, financial institutions, accounting firms and government networks, and cyber-enabled frauds such as business email compromises and account takeovers.

Kevin Bishop
Acting General Counsel

Kevin Bishop started at DFS in September and oversees the Office of General Counsel at the agency.

As Acting General Counsel, Kevin will provide the Superintendent and the Department legal advice and direct the activities of the Department’s Office of General Counsel. His responsibilities will include rendering opinions and advice in areas such as corporate mergers, demutualization, and other corporate transactions; Banking, Insurance, and Financial Services Law; financial fraud and consumer services; the Department’s supervision of troubled institutions; and all other matters of law.

Kevin moved over to the agency after spending almost four years as an Assistant Counsel in the Executive Chamber, under Gov. Andrew Cuomo. While there, he led some of Cuomo’s major policy initiatives including creating the state’s Paid Family Leave program and raising the minimum wage statewide.
New Faces at DFS...continued

Katherine Lemire
Executive Deputy Superintendent of Consumer Protection & Enforcement Division

Ms. Lemire was appointed in April as Executive Deputy Superintendent of the Department’s newly-created Consumer Protection and Financial Enforcement Division. The new division combines the previously separate Enforcement and Financial Frauds and Consumer Protection divisions into one group under Lemire.

Katherine will lead the Division’s efforts to develop investigative leads and intelligence and create supervisory, regulatory, and enforcement policies, with a particular focus on financial crimes and cybersecurity. The Division will also be responsible for protecting and educating consumers and fighting consumer fraud.

Prior to her appointment at DFS, Ms. Lemire was a partner at StoneTurn, an international consulting firm providing compliance and investigative services. Before joining StoneTurn, Ms. Lemire founded and oversaw a risk and compliance firm, Lemire LLC, which merged into StoneTurn.

Laura Evangelista
Executive Deputy Superintendent, Insurance Division

Laura has taken a position as partner at the law firm of Greenberg Trauig, LLP.

Laura was with DFS for over 3 years and held two roles. Most recently, Laura was the Executive Deputy Superintendent for Insurance at the New York State Department of Financial Services (DFS), reporting directly to the Superintendent.

Ms. Evangelista had also held the position of Deputy Superintendent for Insurance and worked closely to help oversee DFS’s Life, Property and Health bureaus. Prior to joining DFS, Ms. Evangelista worked at Nausch, Hogan & Murray Inc., where she served as Vice-President and Assistant General Counsel, responsible for the firm’s corporate, legal and compliance functions. She also spent 12 years as a commercial litigator specializing in insurance litigation at Wilson, Elser, Moskowitz, Edelman & Dicker LLP.

James Regalbuto
Deputy Superintendent for Insurance

James has taken a position at New York Life.

James was with DFS for over 4 years. He joined the Department in 2015 as Deputy Superintendent of Life Insurance where he oversaw the regulation of over 190 licensed life insurers and accredited reinsurers, 12 retirement systems, over 350 charitable annuity societies and 23 life settlement providers.

In July of 2019, James was promoted to Deputy Superintendent of Insurance and held greater management responsibility and helped to position the Insurance Division with respect to new technologies and other matters of significant public concern.

Prior to joining DFS, Mr. Regalbuto worked for two different New York-based insurers and previously was licensed as an insurance agent.
Dave S. Hattem is Chief Legal Officer of AXA Equitable Holdings and is concluding his two-year term as chair of LICONY’s Board of Directors. Dave first joined the Association’s board in 2012. LICONY is grateful to have had Dave’s leadership and expertise on the Board and Dave was kind enough to reflect back on his time on the board for the Quarterly.

Q: What was your first experience with LICONY?
My first experience with LICONY was attending as a Board Member, approximately seven years ago. I had been recently appointed General Counsel and wanted to immerse myself in an area I previously had not been involved. Basically, I was looking to learn and hoped I could contribute.

Q: What makes LICONY different than other trade associations?
The key differences with LICONY, as compared to other trade associations, all relate to quality. It is the quality of the LICONY team, quality of work product, quality of credibility with elected officials and the DFS and, finally, the quality of its relationship among the Companies. All this enables LICONY to be quite effective!

Q: What attracted you to become a LICONY Board member?
I was first attracted to learn about LICONY’s mission and the context in which it operates. As I became more involved I was driven to modernize the organization, achieve consensus among its membership, as appropriate, and help make the organization even more effective.

Q: What do you consider to be your greatest accomplishment as a member of the Board?
Certainly every accomplishment has been the result of an overall team effort by the Staff and Board members. I see it as several fold: we have modernized the organization, enhanced it effectiveness in an ever-changing environment, reduced expenses and had a number of key wins benefiting the industry, clients and community.

Q: What changes do you see in store for the industry in the next 10 years?
Key changes for the industry will likely be in the area of technology. While we have been talking about it for years, change has been slow for a number a reasons, but it is coming! We must ease the way we do business making our important products and services more available to the broader community that needs them. We have a very important role in society providing protection and retirement services that benefits our community but must do better connecting with consumers.
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The President’s Report...continued

to workers in the gig economy, single payer health care, and legalizing recreational marijuana.

A budget shortfall could slow the progressive agenda

The state faces a $6.1 billion budget gap. The shortfall is fueled in large part by Medicaid spending.

Gov. Andrew Cuomo’s administration has previously blamed a trio of issues facing Medicaid spending: an increase in the minimum wage, a phase out of federal funding and an aging population that has seen more people enroll in long-term care.

State Budget Director Robert Mujica said during a Business Council conference in September that the Governor doesn’t support raising taxes in the 2020 budget, but only time will tell.

Assembly Speaker Carl Heastie has already hinted that tax hikes may be the answer instead of cutting social programs like Medicaid. Assembly Democrats will mostly look to the ultra-rich to raise new revenue with higher tax rates and new tax brackets. Other likely revenue raisers include increased HCRA taxes, a carried interest surcharge, and a “pied-a-terre” tax.

Suburban Senate Democrats might not have the same appetite to vote for sweeping tax hikes that the GOP could use as ammunition against them in the upcoming election campaigns.

As the industry is always concerned with the possibility of higher taxes on high income individuals and businesses, LICONY will remain vigilant, closely monitoring the budget shortfall and the negotiations aimed at closing it.

Register now for LICONY’s Women & Diversity Conference - February 28th

This conference is for all levels of personnel. Please share throughout your company!

The Life Insurance Council of New York (LICONY) has teamed up with The American Council of Life Insurers (ACLI) and the American Property Casualty Insurance Association (APCIA) to create an exciting opportunity for insurance executives to share ideas and initiatives intended to enhance workforce and leadership development and drive business performance through diversity and inclusion. This event will provide a forum for attendees to explore challenges and opportunities in advancing a diverse workplace and will feature networking, learning opportunities and perspectives from industry thought leaders.

You can now register, view the agenda (in development), and find other information by visiting www.licony.com.