



For Immediate Release
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NRRA HAILS FEDERAL COURT DECISION UPHOLDING
RISK RETENTION GROUP'S RIGHT TO DO BUSINESS IN NEVADA

Washington, DC – The National Risk Retention Association commended last week's decision by the U.S. District Court to permit a Risk Retention Group (RRG) to continue operations in Nevada despite the State's effort to restrict its operations.

In granting a motion for summary judgment by the Alliance of Nonprofits for Insurance Risk Retention Group (ANI), Judge James Mahan ruled that the federal Liability Risk Retention Act preempts Nevada statutes and regulations prohibiting ANI from issuing first dollar auto liability insurance policies in the State.

ANI has been issuing affordable commercial auto liability policies to non-profit organizations in Nevada since 2001. The Company is rated "A-Excellent" by A.M. Best. In September 2010, the Nevada Division of Insurance ordered ANI to stop writing insurance in the state because it was not an "authorized insurer" under State law. Judge Mahan ruled that the Nevada Division of Insurance is enjoined permanently from enforcing the statute that limited ANI's right to do business in the State and ordered the State to recognize Risk Retention Groups as "authorized insurers."

"This ruling strongly affirms the authority of Risk Retention Groups to operate free of most state regulation under the Liability Risk Retention Act of 1986 and should send a message to other states that attempt to restrict the operation of RRGs," said Brian Braley, President of NRRA. He pointed out that NRRA is supporting legislation before Congress to provide an enforcement mechanism that would relieve RRGs of having to assert their rights through costly litigation in the federal courts.

NRRA filed an amicus brief in the ANI case and has supported RRGs against other states that have attempted to restrict their operations. "ANI and other RRGs comply fully with the Liability Risk Retention Act. They are legally licensed in a single state and free to operate in other states. Risk Retention Groups cannot efficiently operate if they must litigate to enforce their rights to issue policies pursuant to federal law," said Robert H. Myers, Jr., NRRA General Counsel.

NRRA is the national trade association that represents the interests of Risk Retention Groups. There are more than 250 RRGs active today writing some \$2.5 billion gross premiums.

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