

## IN THIS ISSUE

**One-on-One with Former  
PA Insurance Regulator  
Stephen J. Johnson** ..... 1

**Client Success: Helping Delta  
Star Power Up the Country** ..... 2

**People News** ..... 3

Stradley Ronon Stevens & Young, LLP  
2005 Market Street  
Suite 2600  
Philadelphia, PA 19103-7018  
215.564.8000 Telephone  
215.564.8120 Facsimile  
www.stradley.com

With other offices in:  
Washington, D.C.  
Malvern, Pa.  
Harrisburg, Pa.  
Wilmington, Del.  
Cherry Hill, N.J.  
New York, N.Y.

Information contained in this publication should not be construed as legal advice or opinion or as a substitute for the advice of counsel. The enclosed materials may have been abridged from other sources. They are provided for educational and informational purposes for the use of clients and others who may be interested in the subject matter.

Copyright © 2016  
Stradley Ronon Stevens & Young, LLP  
All rights reserved.

## One-on-One with Former PA Insurance Regulator Stephen J. Johnson



*Stephen Johnson joined Stradley Ronon as insurance financial and regulatory specialist in March 2016 after spending 25 years at the Pennsylvania Insurance Department, most recently as deputy insurance commissioner. While at the Insurance Department, he oversaw the Bureau of Company Licensing and Financial Analysis and the Bureau of Financial Examinations, which have primary responsibility for carrying out the Department's financial solvency regulation. In his position at Stradley Ronon, Steve advises clients on insurance transactional, financial and compliance matters, with a focus on regulatory affairs.*

**Government Affairs News (GAN):** How did you get started in the insurance industry?

**Stephen Johnson (SJ):** Right out of college (1977) I began my career with a national CPA firm. One of the first clients I was assigned to was a mid-size life insurance company who I worked with for the next four plus years. I never knew what insurance was about until I worked on this client. All I knew about insurance was I had to buy some and the agent that sold it to me. Understanding how complex it was to have an agent sell and deliver a policy to me was an eye opener. The complexity of the industry caught my interest forever. Once I left the CPA firm it would be years before another opportunity would come along for me to get back to the industry, but in September 1990 that happened when I accepted a position at the Pennsylvania Insurance Department.

**GAN:** What were your greatest accomplishments as Deputy Insurance Commissioner?

**SJ:** I worked at the Pennsylvania Insurance Department from 1990 until the end of 2015. Many would say this may have been the most turbulent time in the history of the industry. So much happened during this period. Looking back over my years at the Department, the accomplishments I am most proud of are getting Pennsylvania accredited by the National Association of Insurance Commissioners (NAIC) for our solvency operation in March 1994 and maintaining that until my retirement; being part of the NAIC's Codification of Statutory Accounting Principles project; taking over, in a very orderly fashion, the largest insurance company insolvency ever (Reliance Insurance Company); and working with the industry to get through the 2008 financial meltdown with very little disruption to the insurance marketplace.

# Client Success: Helping Delta Star Power Up the Country

By Joseph Donovan

There is an old saying: two is one and one is none. When planning logistics, one should always plan on having a backup for critical components. That is the concept Congress captured when it passed the Fixing America's Surface Transportation Act (FAST) in December 2015. Congress has tasked the Department of Energy with developing a Strategic Transformer Reserve Plan (STRP) for the storage of spare electric transformers and emergency mobile electric substations in sufficient numbers to temporarily replace critically damaged equipment in the event of severe weather, electromagnetic pulse, terrorism, cyber breach or other incident.

On behalf of its client, Delta Star, Inc., Stradley Ronon, led by Washington-based partner Joe Donovan, was the only law firm involved in the development of the STRP language. Delta Star is the leading manufacturer of emergency mobile electric substations, which are fully contained electric substations affixed atop a flatbed and capable of being driven onto a station and bypassing the damaged equipment. The benefit of mobile substations is that the damaged substation can be back up and operational in a matter of hours, not the weeks or even months it typically takes to remove and replace damaged equipment with standard non-mobile substation equipment.

Stradley Ronon was able to work with members and staff of the House Energy and Commerce Committee,



For more information about FAST or the Department of Energy's upcoming report to Congress on the development of a strategic transformer reserve program, contact **Joseph Donovan** at 202.507.5151 or [jdonovan@stradley.com](mailto:jdonovan@stradley.com).

Senate Energy Committee and House Ways and Means Committee to secure language in FAST that identifies emergency mobile substations as the only specific resilient technology for consideration in the STRP. Congress found that the use of emergency mobile substations will help “reduce the vulnerability of the United States to multiple risks facing grid reliability” and that the Department of Energy must include in its report to Congress analysis on the “potential reliability, cost and operational benefits of including emergency mobile substations” in the STRP.

Stradley Ronon continues to advocate on behalf of Delta Star in the preparation of the Department of Energy's report to Congress, due by December 2016. ■

## Government & Public Affairs Practice Group

Mark E. Chopko .....	202.419.8410 .....	mchopko@stradley.com
Steven B. Davis .....	215.564.8714 .....	sdavis@stradley.com
Valentino F. DiGiorgio III .....	610.640.5804 .....	vdigiorgio@stradley.com
Joseph Donovan .....	202.507.5151 .....	jdonovan@stradley.com
Andrew S. Levine .....	215.564.8073 .....	alevine@stradley.com
Karl S. Myers .....	215.564.8193 .....	kmyers@stradley.com
John R. Saler, <i>Chair</i> .....	215.564.8709 .....	jsaler@stradley.com
William R. Sasso .....	215.564.8045 .....	wsasso@stradley.com
Mark S. Schweiker .....	215.564.8003 .....	mschweiker@stradley.com
Catherine M. Ward .....	856.321.2402 .....	cward@stradley.com

## People News



Stradley Ronon Chairman **William R. Sasso** received an honorary degree from the Drexel University Thomas R. Kline School of Law during the school's

commencement ceremony. The law school's eighth commencement ceremony celebrated the accomplishments of 180 graduates, including the first to receive Master of Laws, Master of Legal Studies and accelerated Juris Doctor degrees. He was also featured in City and State Pennsylvania magazine as one of "The 10 Titans: Power Players You Need to Know," a list of ten people who have influenced Pennsylvania politics. In addition, Bill and Investment Management Practice Group Chair **Bruce G. Leto** were featured in Philly Biz magazine as part of their first-ever "Best Attorneys in Business" list. The "Best Attorneys in Business" list presents 49 of the "top legal minds" in Philadelphia. Philly Biz also named Bill to its "Power 50" list, which honored "the most influential professionals in the Philadelphia region."



Thirty-two Stradley Ronon attorneys, including Chairman **William Sasso** and government affairs group members **Steve Davis** and **Karl Myers**, were recognized by

Super Lawyers in their 2016 listing of the top-rated lawyers and rising stars. Super Lawyers, a Thomson Reuters business, is a rating service of outstanding lawyers from more than 70 practice areas who have attained a high degree of peer recognition and professional achievement. The annual selections are made using a patented multiphase process that includes a statewide survey of lawyers, an independent research evaluation of candidates and peer reviews by practice area.



Partner **Joe Donovan** was appointed to the Board of Directors of the International Center for Religion & Diplomacy. ICRD is a Washington, D.C.-based nongovernmental organization whose mission is to bridge religious considerations with international politics in support of peacemaking. ICRD also holds a formal consultative status with the United Nations Economic and Social Council.



Partner **Steve Davis** and Counsel **Jana Landon** presented at "Insurance Law for Insurance Lawyers: Legal Issues Beyond Your Office Walls," hosted by the Pennsylvania Bar Institute. Jana presented "Cybersecurity and Corporate Governance," and Steve co-presented "Corporate Governance: Why All the Fuss" with Pennsylvania Association of Mutual Insurance Companies President Ron Gallagher and Grant Thornton's Mark Lastner. Steve also served as a panelist for an International Association of Insurance Receivers Insolvency workshop. The panel, "Shadowboxing with Government: Legislative and Executive Branch Considerations," addressed how to effectively interface with government officials about insurance and insurance insolvency issues to help mitigate the harmful results for creditors, policyholders, employees and other parties affected by the insolvency of an insurance company.



Partner **Cathy Ward** participated in the Northeast Sustainable Communities Workshop presented by the Brownfield Coalition of the Northeast. Cathy served as moderator for the "Brownfield Success Stories: Imagination and Creativity in Urban Change" panel. She also was a panelist for "Welcome to the Profession: Practical Tips for New Lawyers" at Rutgers School of Law – Camden. Cathy and co-panelists described their practice areas and answer questions from law students and new attorneys on topics such as choosing an area of practice, finding prospective employers, paying off student loans and networking. ■

## One-on-One with Stephen Johnson

*continued from page 1*

**GAN:** You have 30 years' experience in the insurance industry, how has it changed over the years?

**SJ:** The industry has gotten more complex yet financially stronger than ever over my career. Over the last 10 years we have seen more low insolvency rates than ever before. This is in part from consolidation in the industry but also from a more quality solvency regulatory framework in place. Insurance companies use analytics today like never before to understand and manage risk. Especially since the financial meltdown, I have seen a dramatic improvement of corporate governance practices within the industry. Though the industry has been slow to embrace the use of technology to improve their operations and customer interactions, since the turn of the century I have seen a quantum leap in technology improvements. This industry is not sleepy anymore and change is dynamic.

**GAN:** What do you consider to be the most significant insurance regulatory issues today?

**SJ:** How much capital should be held at the holding company level to help prevent another financial meltdown? How this is calculated and what is a proper level are very controversial. Whether the Affordable Care Act will work in the long run is still debatable as health insurance companies take big losses on exchange policies. Can small and medium-size companies survive in this very competitive market? How do we fund long-term care in this country as self-funding through long-term care insurance policies is getting less and less affordable to the masses?

**GAN:** Can you talk a little about your role at Stradley Ronon?

**SJ:** I came to Stradley as a financial regulator who believes that teaming up with a great law firm's insurance practice is a win/win for all. I hope to bring in new companies to the firm through my expertise as a financial regulatory strategist, assist such companies through the regulatory process, and have these new clients see and use the outstanding bench strength the firm has within its insurance practice. ■



*Our firm is a member of Meritas – a worldwide business alliance of more than 175 law offices in 80 countries, offering high-quality legal services through a closely integrated group of independent, full-service law firms.*

[www.meritas.org](http://www.meritas.org)