

Gene Ludwig, “The Minuteman of Bank Insurance”

By



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The FIIA Raiken-Sender Award is named in honor of the late Allen Raiken and Stan Sender, partners in the law firm of Morgan Lewis & Bockius, and FIIA’s Washington Co-Counsels from 1993 to 1995. This Award recognizes and celebrates individuals who have made an outstanding contribution to preserving and/or enhancing the availability, utility and integrity of insurance delivered through financial institutions. It is the highest award bestowed by the bank insurance industry.

The first recipient was Charlie Rice, then chairman and CEO of Barnett Banks, now vice chairman of Bank-America. Last year’s recipient was Kevin Crowe, chairman and CEO of ESSEX Corp.

A Heritage of Independence and Freedom-Fighting

This year’s recipient of the Raiken-Sender Award hails originally from the town of York, PA, a community with a long-standing heritage of independence and a freedom-fighting spirit. Given his activities and the benefits they have bestowed on the bank insurance movement and our burgeoning industry, there is, I think, some historical irony in his York-town origins.



Eugene A. Ludwig (right), former Comptroller of the Currency and Managing Partner, Promontory Capital Group, LLC accepts 2000 FIIA Raiken-Sender Bank Insurance Industry Award presented on April 17 by Michael White (left) at the 12th Annual Financial Institutions Insurance Association (FIIA) Convention.

During the War for Independence, York was in the forefront of organized resistance to the enemies of freedom. Following the battle between British troops, the famed minutemen of Lexington and “the embattled farmers” of Concord – a battle whose 225th anniversary we celebrate and revere on April 19th of this year – York County militiamen were

the first from west of the Hudson to march to the aid of Massachusetts, initially volunteering over 4,600 men out of a total population of 25,000 to the cause of liberty. Among similarly sized districts, York furnished more men for the Revolutionary War and sacrificed the greatest number in the service of their country.

Fifteen months after the Declaration of Independence when the British seized Philadelphia and Washington's as-yet-undisciplined, rag-tag army was about to endure the winter of Valley Forge, the Continental Congress assembled in Yorktown. There, in what has been called "America's first capital," the Congress adopted the Articles of Confederation, which formed 13 separate colonies into a nation and named them the "United States of America."

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And, less than four years later, freedom and independence for those United States would be decisively and finally won when the British surrendered at another Yorktown.

The Minuteman of Bank Insurance

Similarly, this son of York, our Raiken-Sender recipient, was in the forefront of resistance to the enemies of free competition and consumer freedom of choice in the insurance marketplace. More than any other regulator, he came to the aid of national banks, defending their right and freedom to sell insurance, regularly volunteering his troops to more engagements and winning more victories for bank insurance in federal court than anyone before him. And he did this, not without casualties to himself and attempts to badger, ridicule and "significantly interfere" with the Office of the Comptroller of the Currency, but with calm courage, dignity and steadfastness.

He took seriously the National Bank Act of these United States that chartered a federal system of national banks, protect-

ing vigorously the provision of that Act that authorized national banks to sell insurance. *He was, in effect, the bank insurance industry's minuteman*, for wherever our liberty was threatened by restrictive, protectionist, "colonizing" state laws, he stepped forward to fight them.



Ludwig laughs as White introduces him to the FIAA members as "The Minuteman of Bank Insurance."

He helped lead our rag-tag bank-insurance movement through its own Valley Forge when early decisions in the *VALIC* and *Barnett* cases went against us, and he persisted till our freedom and in-

dependence, and that of our customers and other consumers, were finally won in decisive Yorktown-like victories with unanimous decisions of the U.S. Supreme Court. He helped liberate a balkanized bank insurance industry, resulting in a greater unification of bank-insurance authorities at both the national and state levels.

Eugene A. Ludwig, Third Recipient of the Raiken-Sender Award

The formal commendation for this year's recipient describes his achievements this way:

"Eugene A. Ludwig – Managing Partner of Promontory Capital Group, LLC and Comptroller of the Currency from 1993-98, lawyer, banker, banking regulator, industry leader -- has made monumental contributions to strengthening and modernizing banking and the financial

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"As Comptroller of the Currency, he led the initiative to modernize the banking industry by allowing national banks to engage in a variety of activities, especially insurance, and to operate under less burdensome rules and regulations. Thus, he helped banks become more competitive and reestablished public confidence in banking at a time of change within the

financial marketplace, thereby benefiting bank customers, employees and stockholders.

“Gene also provided the outline for change in the OCC’s approach to supervision, revamping the method of examination, helping reform the Community Reinvestment Act, enforcing fair lending laws and increasing lending and investment in low and moderate income areas four-fold, expanding bank lending and services to agriculture, business and individuals, and stimulating the banking system.

“He clarified the ability of national banks to own and hold life insurance policies and use insurance products as a funding vehicle for executive and employee-benefits plans.

“Most importantly to the bank insurance industry, through OCC rulings, Gene Ludwig effectively advocated national banks’ authority to deliver insurance to the American public and helped expand the scope and delivery of bank insurance and securities products. His active and victorious defense of bank insurance powers – before Congress, at the U.S. Supreme Court, and in federal courts in the District of Columbia, Indiana, Connecticut, Texas and elsewhere – demonstrably



FIIA Honors Committee presents LUDWIG with a plaque and a \$1000 contribution to his undergraduate alma mater, Haverford College, to commemorate his receiving the 2000 Raiken-Sender Bank Insurance Industry Award. From left to right, Felice Larmer, White, Ludwig, John Hartigan, Kathleen Collins and Margje Lechowicz.

broadened the powers and ability of national banks, and ultimately all banks, to serve their customers’ financial needs.”

For his exceptional leadership and outstanding contributions to the bank insurance industry, Gene received the Raiken-Sender Award Medallion and Commemorative Plaque of Commendation, describing why he was elected the third recipient of the FIIA’s Raiken-Sender Bank Insurance Industry Award.

In addition, FIIA made a charitable donation of \$1,000 in his name to his undergraduate alma mater, Haverford College in Haverford, PA.

*Renamed “Eugene A. Ludwig Receives Raiken-Sender Award,” this article first appeared in **Bank Insurance Marketing**, Spring 2000, V.9 N.2.*

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