

Charles E. Rice, the “Swamp Fox” of Bank Insurance

By



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On April 6, 1998, the Financial Institutions Insurance Association (FIIA) celebrated the holding of its 10th Annual Convention and presented the first annual FIIA Allen L. Raiken-Stanton P. Sender Bank Insurance Industry Award. The award is named in honor of the late Allen Raiken and Stan Sender, who were partners in the law firm Morgan Lewis & Bockius and were also FIIA’s Washington Co-Counselors.

The FIIA Raiken-Sender 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.

The celebration and formal presentation of the award took place in Charleston, South Carolina. It was an historically fitting place to bestow the first award to this year’s recipient: Charles E. Rice, CEO of Barnett Banks, Inc.

While the first insurance company in the Americas was established in Philadelphia in 1752, the first attempt to furnish protection against property risk—in this case, risk of loss by fire—was made in 1735 in Charleston by a Friendly Society operating under a royal charter. After a disastrous fire in 1741, the Friendly Society failed and went out of business. But

Charleston’s efforts marked the first attempt in colonial America to provide financial protection for property loss from risk.

An independent spirit

The second reason for the fitting location of this year’s award presentation is that South Carolinians have a heritage of

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independence and standing for what they believe. At Charleston Harbor in 1765, they were among the first Americans to seize tax stamps from the British to show their opposition to the Stamp Act. When Charleston fell to the Red Coats in 1780, the shrewd and daring General Francis Marion escaped with a band of men to wage guerilla war from the Carolina marshes and swamps, earning the nickname “Swamp Fox.”

General Marion’s raids against the British set the stage for colonial victories at the Battles of Kings Mountain and Cowpens, campaigns that drove British troops out of South Carolina north to Virginia, where Lord Cornwallis finally surrendered at Yorktown—where, as Pete Dawkins, Chairman and CEO of Travelers Group’s Diversified Distribution Services, noted at the convention’s opening general session when he announced the Citicorp-Travelers merger, “The World Turned Upside Down.”

The “Swamp Fox” of bank insurance

Convention attendees gathered in Charleston to pay tribute to another “general” who, in the spirit of Francis Marion, led raids on anti-affiliation statutes that became turning points in our revolutionary efforts to regain bank insurance powers.

Though from Florida, this first winner of the FIIA Raiken-Sender Award possesses the same Carolinian independence of mind and will-



Francis Marion

ingness to stand up for his beliefs.

Like the “Swamp Fox” of the American Revolution, Charlie Rice dared to fight—shrewdly and persistently—for bank insurance powers, braving the quagmire of courtroom battles and the snares of federal and state legislatures.

His relentless defense of banks’ right to market insurance nurtured those economic principles that undergird political and social liberty: free markets, freedom of competition, freedom of affiliation, the free exchange of ideas and information, and freedom of consumer choice.

Opponents of bank insurance powers, intent on maintaining an oligopoly in the insurance market, found that their weapons of special privilege, closed markets and limited access lost their potency when this “Swamp Fox” of bank insurance met them with the more powerful artillery of free markets, consumer choice and rule of law. Consumers have been the ultimate winners.

The formal commendation for his Award describes Rice’s achievements on behalf of the bank insurance industry:

“Charles E. Rice -- Chairman and Chief Executive Officer of Barnett Banks, Inc., advocate of banks' rights to sell insurance, banking industry leader, financial services visionary, champion of higher education -- has been a major force in the expansion of bank insurance powers. His tenacity resulted in the landmark *Barnett Bank* decision of the U.S. Supreme Court in 1996 that recognized the right of national banks to sell insurance despite contrary state law.

“His perseverance, leadership and willingness to permit Barnett Banks to bear the financial and reputational burden associated with a bruising court fight with Florida's Insurance Commissioner overcame two unfavorable lower court decisions, and led Barnett to take its case to the Supreme Court and win a unanimous, watershed victory not just for the banking industry, but for consumers as well.

“Since that legal victory, his untiring



Charles E. Rice, Chairman and CEO of Barnett Banks, receives the 1998 Raiken-Sender Bank Insurance Industry Award from Alice Berryesa, FIIA Executive Director

advocacy of bank insurance powers has encouraged other defenders of free markets to oppose federal legislation that would curtail bank insurance sales and nullify the favorable Supreme Court ruling. The impact of his leadership and the *Barnett* decision have, in two short years, helped lift restrictive laws and regulation in some 20 states throughout the nation. These states have modified their laws to permit both national and state banks to sell insurance in conformance with the *Barnett* decision.

“He continues to challenge rules that would restrict banks from effectively selling insurance products, as Barnett awaits yet another court decision on state bank insurance regulation.”

Nearly 180 Honors Electors received ballots to cast their secret votes for the Award’s first recipient. Ballots were submitted to Coopers & Lybrand, the association’s independent Teller for this election, and Paul Allan Schott, National Director of Bank Regulatory Services, tabulated them.

The Honors Committee members who devoted time and thought to this Award and endured the difficulty of selecting from a group of excellent nominees, were: Michael White, President of Mi-

chael White Associates and Chairman of the committee; Alice Berreyesa, FIIA Executive Director; John Hartigan, Managing Partner of Morgan Lewis & Bockius; and Felice Larmer, President of FirstMerit Insurance Agency. Kathleen Collins, FIIA’s Washington Counsel and also of Morgan Lewis, and former FIIA Director Jim Webster also participated in planning this Award.

Renamed “Barnett’s Charles E. Rice Is Honored for Contributions to Bank Insurance,” this article first appeared in *Bank Insurance Marketing*, Spring 1998, V.7, N.2, pp. 28-29.

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