
All The Pieces Fell In Place For MSIA Counsel Peter Thrane

Few people's lives work out as planned, but often that turns out to be a good thing.

Just ask Peter Thrane.

As a youngster growing up in Chanhassen he aspired to be a criminal prosecutor. He became an insurance lawyer. He could not be happier.

After graduating from Drake University's law school in 1984, Thrane explored becoming a prosecutor but the options were limited. Instead, he became an attorney on the staff of the Minnesota House of Representatives, administering a legislative committee. The decision was a career turner. He found he liked the fast-paced environment and the people with which he worked.

Because of his committee assignment, Thrane encountered Bob Johnson, long-time Insurance Federation of Minnesota lobbyist. That connection led to a position in 1987 with the St. Paul Companies, which was facing challenges in its medical malpractice insurance because claims were soaring, requiring premium increases as high as 50 percent. Regulators were trying to control them. Some physicians went on strike to protest the hikes. Thrane was assigned to lobby lawmakers and regulators in a 12-state southeastern region. The ensuing three years of heavy travel and intense negotiations was a perfect training ground. Because he was new, Thrane did not realize how substantial the increases were, which actually made his job easier. But the point was driven home to him the night Minnesota Commerce Commissioner Mike Hatch appeared on ABC-TV's Nightline to criticize The St. Paul. Having its own state top legal officer attack on national television did not help the insurer, which had a substantial share of the medical malpractice market in Minnesota and countrywide.

When it came time for heavy deliberations, however, The St. Paul sent in its experienced executives. As a relative newcomer to The St. Paul at the time, Thrane was allowed to tag along, which gave him a ringside seat when Dick Tongen (who negotiated The St. Paul's settlement in the famous Northwestern Bank fire case) informed Florida regulators that his company was withdrawing from their state. The decision was a bombshell. In fact, the impact was so great the state implored the carrier to delay its withdrawal six months, which it agreed to do.

Once the malpractice crisis faded, Thrane became legal counsel within The St. Paul for enterprising executive Joe Nardi from whom he learned much. "Joe was a great leader," Thrane said. "He truly had a gift for recognizing opportunity, which enabled him to create the medical services division, then lead the specialty commercial division that reached \$1.4 billion in premium."

In 2000, after 13 years with the company, Thrane decided to move to private practice where he could more fully utilize the company, regulatory and legislative knowledge he had acquired. He constructed a business plan and approached Leonard Street and Deinard in Minneapolis, which invited him to join. A decade later

Peter Thrane



Thrane is enjoying his role because, he explains, it enables him to do what he does best: help insurance people navigate complex regulatory and legal mazes that often impede their imaginative ideas and ambitions. "I think my practical experience is my most important asset," he explained. "I have been fortunate to have been on the inside, which has given me insights that augment my legal training. An insurance policy is a contract in a heavily regulated industry. That is why it is always an advantage to understand the context in which the laws and regulations were formulated." That point was recently demonstrated when Thrane researched an insurance law by reviewing the taped testimony at the legislative hearing that shaped the law two decades earlier. He listened a short time before he came to the startling realization that the voice he was hearing was his. "Actually, I sounded pretty good," he said with a modest laugh.

Thrane's business plan has worked well. He is counsel for the Minnesota Self-Insurers Association and advises insurance companies, agencies, managing general agencies and others on a wide range of issues from new product distribution to acquisitions and mergers. One case that demonstrates his role involved a Minnesota insurer that desired to combine with a qualified buyer. The problem was that state law would not permit the form of the transaction that the buyer desired for this particular purchase. While a conventional approach likely would have said the transaction could not be done, Thrane realized that changing the law was a realistic possibility. He first talked with state regulators who wanted to support the transaction. That conversation led to their cooperation and the passage of a new law that ultimately facilitated the transaction.

"I like to think that I can get things done quickly and efficiently," Thrane said, "I really enjoy sitting down with people, finding out what they want to do, then determining the best way to do it. I am especially comfortable working with those who have ideas they want to implement, but don't know how. My specialty is navigating the regulatory process to achieve their goals." ■