

# Inter-Office Memo

REVIEW



To: Bill Kingsley

From: Rob Bier *RB*

Date: May 1, 1990

Re: Good news

Kudos are due to Henri Bersoux for his part in the attached stories: "For the Junk Market, No News But Bad News," Business Week, May 7, and "The Perils of Bashing Junk" (editorial), The New York Times, May 1. Both were strongly influenced by his efforts, although his and the ACLI's names appear nowhere in either piece.

The Business Week story began with Henri's efforts last fall to place a BIC-GIC story in that publication. When Fortune and Bob Waldron struck first, Henri kept up the connection. Along the way, Henri devised a strategy for steering writers off of stories about the perils of junk bonds for insurers. Instead, he argued, the story is about the perils that panic over junk poses for capital markets. Now, that defense stands on the verge of becoming an offense.

The Times editorial was something of a surprise. Henri talked last week with two writers from the Times, one on mortgages and the other on junk bonds -- for a half hour each. Both were referred to him by Janel Patterson. A few of the paragraphs in the resulting editorial could have been lifted right from him.

If we find ourselves in a position of having to oppose in some fashion the NAIC's MSVR rating changes, I believe Henri's approach has merit. The Times editorial sums up that approach perfectly; we are seeking reprint permission.