



## Legislative Update

### February 2006

#### GRASSROOTS ADVOCACY

There is no question – the insurance industry in which we operate is highly regulated, and as such, we are very vulnerable politically. As small business owners and agents, we are confronted daily with government regulations and mandates. We comply (sometimes willingly, sometimes grudgingly) with these ever changing rules, because failure to do so may result in fines, sanctions or at worse, the removal of a market for our product or service, such as the proposal to create a single payer health insurance system in California. With the likelihood more such regulations will be introduced every year, what can or should we do?

First of all, it is imperative that we remain actively involved in the political process and work to effectively influence legislation and regulations that impact our businesses. It is our *right* to do so, and lawmakers that represent us actually *want* to hear our opinions on these issues.

How do we do this? There are four ways a constituent can lobby their elected official. We can write a letter, send an email, call our legislator's district office, or make an appointment to meet with our representatives in person. **Personal contact, however, is by far the most important source for legislators to learn how proposed laws impact their constituents.** If our legislators do not hear from us then our silence is considered approval.

The skills that agents develop to be successful also enable us to be effective in discussing issues and advancing our positions with our elected officials. These positions are reinforced with solid data and facts generated by NAIFA-California's Government Relations Committee. The GRC team is available to provide members with the resources to speak knowledgeably to legislators regarding issues that affect our communities and businesses. In addition, NAIFA-California's Government Affairs staff is available to assist us with scheduling and preparing for meetings with our legislators.

The key resources used by NAIFA-California's GRC team are the Grassroots Advocacy Tools System (GAT) and "Legislative Contact Form." The GAT system has been streamlined to provide a fast and easy online process for NAIFA-California members to communicate with their legislators via email. The "Legislative Contact Form" provides vital information to the GRC team, assisting them with targeting legislators and NAIFA-California members who may prove most helpful on key issues.

In addition to personal contact, another key to effectively influencing public policy is to rally our clients and include them in the political process. By doing this we can dramatically expand our power base. We can explain the issues, stressing the potential impact on the insurance marketplace especially when dealing with the availability and affordability of insurance products. Our message often is extremely pro-consumer while protecting the agent delivery system in this ever-changing marketplace.

When communicating with legislators and our clients, it is very important to articulate the critical and valuable services that we perform. We must indicate that we are finding that economic conditions, system cost-drivers and over-regulation are increasing costs to our clients sometimes beyond their ability to pay. **We are candid and passionate when we are dealing with our underwriters on each**

**important piece of business and we need to act the same way when talking to legislators and clients about important public policy issues.**

As a result of the serious impacts SB 192 (Scott) would have on insurance agents and brokers, we may be contacting NAIFA-California members in the coming weeks to assist us with grassroots advocacy. This advocacy will be absolutely key to defeating this measure as currently drafted.

Please watch your inbox for future updates and grassroots requests for these bills. Thank you in advance for your help. Our future depends on us continuing to play a vital part in the political process.

***STRENGTH IN NUMBERS!***