



Legislative Update

June 2008

Day on the Hill 2008 – A Success!

Over 200 NAIFA-California members – life, health and P&C insurance agents from across the State – convened in Sacramento for the 2008 Day on the Hill (DOTH) on May 20th. During the day-long event, NAIFA-California members enjoyed hearing about the political landscape in Sacramento and the process by which the association maintains its strong voice in and around the Capitol.

In addition to updates on the regulatory and legislative events taking place in Sacramento, NAIFA-California heard from a number of dynamic speakers including Assemblyman Mike Duvall (R-Brea); Herb Schultz, Senior Advisor to the Governor; and Kathleen Webb, Director of the Office of the Insurance Advisor. Assemblyman Duvall provided his perspective on California's political landscape and its effects on the insurance industry, particularly from his vantage point as an insurance agent. Herb provided insight into the healthcare debate. Kathleen, a former State Farm agent herself, provided great insight into her role as an advisor to the Governor on insurance issues.

In addition to the wonderful speakers, NAIFA-California members visited their legislative representatives in the historic Capitol. During these meetings they lobbied two key insurance issues currently before the Legislature including SB 1224 (Machado) and AB 2940 (DeLeon).

SB 1224 (Machado) would provide for a regulatory framework for life settlement transactions in California and require individuals negotiating life settlements to be licensed by the California Department of Insurance. While NAIFA-California is supportive of life settlements, we are opposed to stranger originated life insurance policies (STOLI), a type of life settlement, as they are considered contrived arrangements that hurt the purpose for which life insurance is based – financial protection for families and businesses. In response to growing concerns over STOLI products, Senator Mike Machado introduced SB 1224. NAIFA-California members advocated their support for the bill and argued in their meetings that the provisions of SB 1224 will go a long way towards addressing the abusive practice of stranger owned life insurance (STOLI) transactions.

AB 2940 (DeLeon) would create the California Financial Advantage Account Program (CFAAP), under the administration of the California Public Employees' Retirement System (CalPERS). CFAAP would provide retirement savings opportunities to California's private sector employees and it would require CalPERS to allow employers without retirement plans to contribute and to match employee contributions. The proposal, which would open California's retirement system to private sector workers, has prompted questions about government competing with private investment firms and the ability of the system to handle the program.

NAIFA-California is working with the author's office to see if we can address our concerns with the bill. Members' visits to their legislators surely helped educate them on this important issue and alternative approaches to ensuring financial stability in retirement for all Californians.

In addition to political involvement and policy efforts, NAIFA-California was pleased to present its annual Political Action Committee Awards to some very deserving locals and members.

- Highest Per Capita Contributions per Individual Member
 - o NAIFA-Central Coast – Chair, David Ion
- Largest Percentage Increase in Contributions from the Prior Year
 - o NAIFA-Napa Solano – President, Marta Cornejo
- Most Total Dollars Contributed by All Members
 - o NAIFA-Mt. Diablo – Chair, David Lucas
- Largest Percentage Increase in Contributors
 - o NAIFA-San Diego – President, Bob Ekhaml
- NAIFA National IFAPAC Tribute to Excellence Award Winners
 - o NAIFA-Central Valley – Chair, Tena Marsiglia
 - o NAIFA-Palomar – Chair, Dan Wells

Congratulations to all of our PAC award winners!

Each year DOTH provides a unique and worthwhile opportunity to learn first hand about the events taking place at the Capitol as well as opportunities to meet with legislators in their Capitol offices. This year was no exception – be sure to join NAIFA-California next year in Sacramento for its annual Day on the Hill.

If you have any questions regarding any of the topics mentioned in this report, or others not mentioned, please contact Shari McHugh, Legislative Advocate for NAIFA-California, at 916/440-0850. Thank you!