



Political Report

July 2010

State Still Lacking Budget Plan

While the majority of the Legislature is out of town on summer recess, Senate and Assembly leaders have been busy holding internal budget meetings as well as meeting with the Governor. According to reports, leaders are continuing to discuss \$9.5 billion in budget fixes that stem directly from the Governor's May Revise. No major progress, however, has been made to date to deal with closing the state's estimated \$19.1 billion overall budget deficit.

NAIFA-California continues to monitor the budget meetings and discussions to make sure that any efforts to try to tax life insurance products is quickly defeated. The idea continues to be bantered about in certain small circles but thus far does not seem to be getting much traction.

Update on the Implementation of PPACA in California

A number of bills are currently moving through the legislative process that would help to implement The Patient Protection and Affordable Care Act (PPACA). There are two bills, SB 900 by Senator Elaine Alquist, and AB 1602 by Speaker John Perez, which would create the Exchange that PPACA requires be established by 2014 for individual and small group markets. NAIFA-California, CAHU and IBA West are working together on amendments that would protect the role of insurance agents and brokers in the distribution of products that would be available through the Exchange. We are hopeful that we will be successful in convincing the authors of the need for these amendments. However, we may be calling upon all of our members to contact their Assemblymembers and Senators if we need the additional grassroots help once the Legislature is back from their summer recess.

Villines Declares Official Victory

Last week, the Secretary of State announced the certification of the June 8 primary election results and officially declared the winners. Although most of the races had clear victors by election night, there were a handful of races that remained too close to call. One of those races was between Assemblyman Mike Villines, R-Clovis, and Brian Fitzgerald for the Republican Insurance Commissioner nomination.

While it appeared that Fitzgerald would take the nomination, upon certifying all of the results, Villines was able to declare an official victory. Villines will now face off against Democratic Insurance Commissioner nominee Assemblyman Dave Jones, D-Sacramento, in the November general election.