

MAY 1997



IIAA
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IIAA's National
Legislative
Conference

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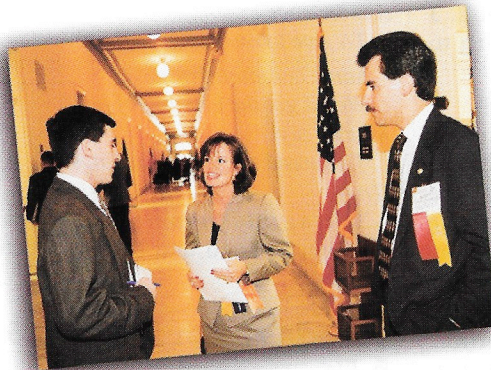
First time on the Hill

The IIAA Capitol Hill Office begins to fill with Young Agents at around 11:15 a.m. on Monday, April 7. There are hugs, big grins and many handshakes; the agents haven't seen each other since last year's national convention in Toronto. At the far end of the room stands Jacki Frank-Jungsberger, ACSR, a 32-year-old agent from the Tri-County Agency, in Brick, N.J. She smiles and chats with a group of her fellow young agents. This is her first IIAA Legislative Conference, and she's excited.

Jacki comes by her profession naturally. "My dad worked for an insurance company, and my mom worked for an agency when I was growing up," she says. "You should have heard the conversation around the dinner table." After working part-time for an agency and earning her

associate's degree, she went to work full-time at Tri-County. A member of Young Agents since 1990, she's currently the president of the New Jersey branch and a member of the Young Agents Host Committee at this conference.

"I can't say no to anything -- but I love it," she laughs, "especially since I've been so active with the Young Agents. It's a great group of people. Pretty much all of us are second generation, and we're all on the same wavelength. There's definitely a certain type of bond we've formed. That's why I wouldn't have missed the legislative conference this year."



Opposite: Jeanne Heisler and Jacki Frank-Jungsberger lead a contingent of New Jersey agents on Capitol Hill. Left: Frank-Jungsberger and Scott Stanford (right) meet with Frank Distefano.

b y N a d i a R . S c h u l m a n

Monday, April 7, Noon

The agents are invited to sit down for lunch. Dan Keniry, majority staff director for the House Rules committee, speaks on affiliations and the need for state functional regulation in the wake of the *Barnett* decision. Keniry is 27 years old. After the speech, Jacki shakes her head. "How impressive," she remarks. "He's so young, and look at his career. What a role model."

This speech is but the first official event of the conference for Jacki, who plans to attend several briefings on this year's congressional issues, numerous other speeches and receptions and three meetings with New Jersey representatives. "I'm excited," she says. "You get involved with grassroots to a certain extent at home, but I don't believe you can get a feel for the issues until you're actually on the Hill, talking with your congressmen. I really don't know what to expect; it will be a learning experience for me."

Monday, 3:30 p.m.

Back at the Capitol Hilton, Jacki meets with 34 other New Jersey agents for a pep talk. Eileen Kean, state executive of IIANJ, goes over the who's and the what's of the next few days. "Our congressmen want to hear from us, and that's why we're here," says Kean. "Just relax and enjoy the conversations. And don't forget to bring back notes on each visit. We need to bring the news back to New Jersey."

Jacki scribbles something on her notepad and looks at her schedule. "Okay. We have the briefing tonight at 5, the reception and dinner later tonight, and then tomorrow we'll meet with Franks, Smith and Saxton at 2, 3 and 4 p.m." she says. "This is going to be good."

Monday, 5:08 p.m.

Jacki finds a seat in the back of the hotel auditorium, having stood at the entranceway for 20 minutes, greeting the vast number of agents on their way into IIAA's briefing on issues facing the industry. She looks a little nervous. "I hope I understand all this," she worries.

Bob Rusbuldt, vice president of federal affairs, and Paul Equale, senior vice president of government affairs, speak from podiums on opposite sides of the

stage; between them hangs a screen where video clips of congressmen are intermittently shown to illustrate the bills being discussed.

Jacki takes careful notes, listening especially to the proposed financial services reform and natural disaster insurance bills — the issues she plans to discuss in greatest detail with her congressmen the following afternoon. The briefing ends just before 7:00, and Jacki closes her notepad with a sigh of relief.

Nodding towards the stage, she says, "They did a good job. If you want to get people involved, you want to make the issues easy to understand, so they'll come back each year. Bring it down to reality, and it's much easier. It's like writing a policy, you know? You want to make it simple."

Monday, 9:15 p.m.

Dinner for the New Jersey agents is held at Bice, an upscale Italian place at 601 Pennsylvania Avenue. Jacki is at ease with her colleagues, chatting amicably with everyone.

After a dinner of pasta and veal, an agent from the next table stands with a notecard, as if to give a speech.

Jacki nudges me. "This is the best part of all our trips," she says. "Howard's going to sing."

Howard "Papa Kuch" Kucher, CPCU, of Kucher, Harney & Miller, in Scotch Plains, N.J., breaks into song, handwritten only moments earlier to the tune of "Toreli-Torelei."

I greet you today at the Leg. con-fer-ence

*To give to one congressman
Some common sense.*

*We all got the briefing of just
what to say*

*To spread the great teachings of
IIAA.*

The agents break into chorus together, a good end to a productive day.

Tuesday, April 8, 7:15 a.m.

Having consumed a glass of juice and a few bites of French toast, Jacki twists in her chair to take in the sights around

her. Scores of insurance agents fill two ballrooms for this breakfast sponsored by Chubb. The group is informed that the turnout for this year's conference is higher than ever — more than 700 agents have come to the Hill.

House Banking Committee Chairman Jim Leach (R-Iowa), the keynote speaker at the event, talks about the need for functional regulation and voices concerns about the integration of commerce and banking. "The biggest issue we [legislators] face is determining what is fair in the financial landscape," Leach says. "One way to enhance fairness in competition within the financial services industry is through the development of functional regulation standards that ensure everyone operates under the same rules."

Jacki turns to me to whisper, "It's nice to see that there's so much support for the banking bill. Everyone needs and wants a level playing ground."



Tuesday, 1:50 p.m.

Jacki seems to be ready to meet with her congressmen but admits that she's still a little nervous. "My palms are sweaty," she says to the group of New Jersey agents, on their way to the Cannon House Office Building. "What does that mean?"

They arrive five minutes early to the

first meeting with Rep. Bob Franks (R-N.J.). Frank Distefano, legislative assistant, greets the group and informs them that he will be sitting in. Jacki chats easily with Distefano until Franks is ready for the group, and they're invited to join the congressman in his office.

Franks' office is decorated with family pictures and a large map of New Jersey. The congressman tells the group how lucky he was to get an office with a tree view. As Franks sits on the leather couch next to Jacki, he says, "It's always great to have the independent agents back on the Hill."

Kucher, last night's star performer, takes on a more serious role to tackle the issues right away. He says, "Let's talk about H.R. 219, the Lazio/Fazio bill. This measure would provide much-needed reinsurance coverage to the states, over and above existing pro-

grams. The bill would allow homeowners a piece of mind when it comes to natural disaster."

The congressman nods in agreement. "This is a yearly phenomenon," Franks says. "We need to stop the losses and give homeowners the protection they deserve."

Jacki opens her folder to offer a letter to Franks. The note supports the natural disaster bill and is signed by Lazio and Fazio.

Next, they touch briefly on functional regulation. Franks shows no sign of concern; the conversation is easy and light. The congressman seems to agree with the issue, saying, "I'll look into it."

Franks wraps up the meeting at around 2:25, saying, "You guys have been a great association in New Jersey, and I go way back in working with you in past legislative conferences. Thanks

again for coming."

Tuesday, 2:30 p.m.

Jacki seems to be more at ease after her first meeting. Back in the corridor inside the Cannon building, she smiles. "I feel so relieved," she says. "That was easy; he supports our bills. It's nice to know that he's behind our issues. Next!"

Tuesday, 3:00 p.m.

The group is informed that Rep. Chris Smith (R-N.J.) is unavailable and that his aide, Mark Roselli, will be standing in for him. The agents are prepared for that news — they had been told at the briefing the night before that more often than not, they would be meeting with legislative staffers, rather than with congressmen. Prepared with IIAA's "Where We Stand" booklets,

Awards presented to Rhode Island, Dingell and agents

Several noteworthy recipients were presented with prestigious awards at this year's legislative conference.

IIAA President Ron Smith presented The Independent Insurance Agents of Rhode Island (IIARI) with the **Maurice G. Herndon Award**. The state association received the award in recognition of its significant legislative accomplishments over the past year in the area of bank-insurance regulation. The Herndon award is bestowed annually by the Professional Independent Insurance Agents of Illinois upon the state association whose legislative achievements have been deemed most outstanding.

"The Independent Insurance Agents of Rhode Island is commended for its determined efforts to pass the state's landmark consumer protection legislation and its steadfast defense of the law from the onslaught of attack from federal regulators," said Smith.

John E. Karpierz, California InsurPac chairman, and J.L. (Randy) Adams, III, CPCU, chairman of Mississippi's InsurPac fundraising efforts, were honored with the **Bernard J. Burns Award**. The Burns award recognizes outstanding fundraising



efforts on behalf of InsurPac, IIAA's political action committee.

House Commerce Committee Ranking Democrat John D. Dingell (Mich.) was named **IIAA's Legislator of the Year**. The prestigious honor was presented to Dingell by IIAA Senior Vice President of Government Affairs Paul A. Equale. Dingell is the fourth IIAA Legislator of the Year award honoree.

Equale cited Dingell for his ongoing commitment to championing inde-

pendent agents' positions on bank-insurance affiliations, supporting a level playing field and fair competition in the insurance marketplace, and advocating consumer protections for insurance consumers in the financial services marketplace.

Henry S. Kane, Jr., ARM, president of McLachlin Insurance Affiliates in Somerville, N.J., and Timothy Templeton, vice president of Senn, Dunn, Marsh & Roland in Greensboro, N.C., were honored with the inaugural **InsurPac Young Agent Award**. The new award was established to recognize the increasing contributions of Young Agent InsurPac state directors in increasing InsurPac contributions and grassroots political advocacy among young agents.

Kane, who is New Jersey's InsurPac Chairman, was commended for surpassing his state's InsurPac goal and for motivating young agent contributors. Templeton, who directed North Carolina's InsurPac fundraising efforts in 1996, was recognized for topping his state's InsurPac goal, securing contributions from 47 young agents and from one-fourth of all state member agencies.

Jacki and her group meet Roselli at the Rayburn House Office Building.

"What can I help you with today?" Roselli asks the group. He seems to be at ease and well informed of the goals of IIAA.

Jeanne Heisler, CPCU, the state national director from New Jersey, takes the lead. She starts with the banking issue. "In the past," she says, "we hoped for total separation of banks and insurance. Chris Smith supported that, but as you know, we didn't get it." Roselli nods in agreement. "It's such a complex issue, and many consumers don't understand," Heisler explains. "That's why we need consumer protection and functional regulation of banks."

"Banks don't seem to have problems with regulation, in my experi-

the Cannon building. Again, the group of eight agents is informed that they'll be meeting with a congressional aide, Sarah Bittleman. Because the group is so large, Bittleman meets with them outside of the small office, in the vast corridor.

This meeting lasts for only 10 minutes. Heisler gives the aide a "Where We Stand" booklet and informs her of the functional regulation and natural disaster issues. Bittleman ends the meeting by saying, "I'll certainly brief the congressman on these issues, and I'm sure there will be no problem."

Hailing a cab after the meeting, Jacki seems satisfied that IIAA's message has been passed along. She has done her part, having trekked to D.C., miles from home, to meet with her



The group is briefed by Mark Roselli, aide to Rep. Chris Smith (R), outside the Rayburn House Office Building.

ence," says Roselli. "It shouldn't be hard to pass that bill. I'd be happy to pass your message on to Chris; that should be easy."

Two meetings down, one to go. Jacki, now an old pro, says, "That meeting was a lot less structured and a lot more casual. We gave him the information, and he said he'd check on it. That's good."

Tuesday, 4:00 p.m.

Jacki's last meeting, with Rep. Jim Saxton (R-N.J.), is to be held back at

representatives in person.

"I'm so glad I came," she says. "I feel as if I really made a difference. It feels good to be a part of such a large group with common goals."

Stepping into the cab, she takes one last look at the Capitol building, and says, "I wouldn't miss next year's conference for the world."

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SCHULMAN IS INDEPENDENT AGENT'S PRODUCTION EDITOR.

Where we

FINANCIAL SERVICES REFORM

After more than 40 years of opposing the mingling of banking and insurance, IIAA's National Board of State Directors unanimously approved a new policy statement supporting financial services affiliations — mergers among banks, insurance companies and insurance agencies, securities firms and real estate companies — provided there is functional regulation of insurance.

Functional regulation requires the respective activities of a holding company to be regulated by the appropriate oversight body (banking by the Comptroller of the Currency, insurance by state regulators). Consumer protections must also be adopted at the federal or state levels, or both.

NATURAL DISASTER INSURANCE

The Homeowners Insurance Availability Act (H.R. 219) dovetails with state initiatives by providing critical reinsurance backing. Under the proposed measure, state-operated insurance or reinsurance programs will be eligible to purchase reinsurance contracts from the U.S. Treasury. States will have the option

Leach and Kasich speak at



stand on legislative issues

of buying contracts with a residential loss retention of \$2 billion, \$10 billion or other levels determined by the Secretary of the Treasury. The total value of the reinsurance contracts available to a state will be \$25 billion. States will be required to buy contracts in excess of their program capacity. The federal reinsurance program is voluntary.

TAXES

In 1997, Congress will likely revisit several tax-related issues broached in the 104th Congress. These issues include a capital gains tax reduction, a child tax credit, estate and gift taxes, Individual Retirement Accounts (IRA) tax deductions and independent contractor tax simplification.

The American Family Tax Relief Act (S.2) encompasses many of these proposed changes. S.2 is designed to help lower the tax burden on American families. IIAA believes these measures will encourage small business job creation by freeing up important capital resources and will put money back in the pockets of American families and businesses.

SUPERFUND RE-AUTHORIZATION

IIAA believes that Superfund's retroactive, strict, joint-and-several lia-

bility mechanism, which allows fiscal responsibility for clean-ups to be shifted to any party whose activity involved wastes found at a site, is the root of Superfund's problems. IIAA seeks its elimination by supporting the Superfund Cleanup Acceleration Act (S.8), which caps the liability of owners and operators of co-disposal landfills.

LIABILITY REFORM

IIAA supports a national, uniform product liability law to provide a predictable and marketable product liability insurance policy. Although IIAA prefers enactment of broad liability reform, it supports S.5.

HEALTH CARE REFORM

Although IIAA supports health care reform, legislation must continue to be carefully crafted to avoid increasing costs, raising the number of uninsured Americans or damaging the role of the private sector.

FEDERAL CROP INSURANCE

IIAA is calling for full funding of private-sector crop insurance delivery. IIAA is concerned that, without sufficient funds, federal crop insurance won't be a viable option for farmers. IIAA also is calling on the USDA to

end government delivery and to reduce paperwork burdens.

INSURANCE REDLINING

IIAA believes that insurance must be readily available to all Americans, regardless of where they live. Redlining will not be tolerated — IIAA opposes even the perception of redlining. IIAA would oppose any renewed HUD efforts to impose provisions that would force insurers to their information-gathering systems.

1994 CRIME BILL

The Violent Crime Control & Law Enforcement Act of 1994 made it illegal for anyone who has been convicted of a felony involving breach of trust or dishonesty to engage in the business of insurance. IIAA believes this provision is potentially costly and unnecessary for independent insurance agents, because it's next to impossible for an agent to endanger the financial solvency of an insurance company. IIAA believes that this provision should be clarified and that independent insurance agencies should be exempted from its reach.

ference

TWO CONGRESSIONAL HEAVYWEIGHTS OFFERED THEIR INSIGHTS ON WASHINGTON DURING BREAKFAST BRIEFINGS AT THE LEGISLATIVE CONFERENCE.

"When the average American only gets to keep 60% of his or her paycheck, the incentive to work goes down while economic pressures to do so continue to rise."

House Budget Committee Chairman John Kasich (R-Ohio), calling for the abolition of the IRS.

"Where is the public in this deal?" he asked. "There are very few instances in the world where bankers have been very good at anything other than finance."

House Banking Committee Chairman Jim Leach (R-Iowa), arguing against the integration of banking and commerce.

