



# SIMPLIFYING MATTERS

*The Agents for Change Newsletter*

"Simplifying Regulation for Agents and Brokers..."

Winter Edition 2006

Volume 1, Issue 1

## In this Issue

- Message from your Chairman
- Who We Are
- Invitation to Attend May 23<sup>rd</sup> and 24<sup>th</sup> Legislative Conference
  - \* Agenda
  - \* Registration Forms
- Legislative Process 101
- In the News
- Upcoming Events
- Spread the Word
  - \* Join Now Form

## Membership

Join Agents for Change by filling out the attached membership form or by visiting us on-line at [www.agents4change.net](http://www.agents4change.net)

## Contact Us

1001 Pennsylvania Avenue  
NW, Suite 500 South  
Washington DC 20004

Phone: 202.589.1929

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[peter@agents4change.net](mailto:peter@agents4change.net)

## On the Web

[www.agents4change.net](http://www.agents4change.net)

## Message from Your Chairman

As the Chairman of Agents for Change, I am honored to bring you our first newsletter, Simplifying Matters.

Agents for Change represents insurance agents and brokers from across all lines of insurance who are working together to reform insurance regulation and enact an optional federal charter (OFC) to allow producers and insurers the option of being regulated at either the federal or the state level.

Agents for Change is your trade association. We are here to serve you.

I am proud that our association is at the forefront as OFC legislation is gaining steam in the United States Congress. We believe that an OFC bill will be introduced in the Senate shortly and that hearings are a possibility. This is Washington speak for "moving in the right direction."

Members of Agents for Change met with Members of Congress on Capitol Hill on two occasions in 2005. But there is so much more to do. And with your help – and the help of your colleagues who agree that there is a better way to regulate insurance – we will truly change the face of insurance regulation to help us better serve our customers!

Over the course of the year we will bring you opportunities to participate in the political process. These will include: A May 23<sup>rd</sup> and 24<sup>th</sup> legislative conference, letter writing campaigns to Members of Congress, submitting op-ed's and/or letters to the editor of your local newspapers, and in-district meetings with your Member of Congress.

Agents for Change has over 1,000 members nationwide. But there is so much more to do and only with your help will we succeed in our shared goal of modernizing insurance regulation.

On behalf of the board of directors I thank you for your membership, involvement, and input as we move forward.

Sincerely,

Robert Poli, CBC



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## Who We Are

- Agents for Change is a trade association of insurance agents and brokers from across all lines of insurance working together to enact an optional federal charter to allow producers and insurers the option of being regulated at either the federal or the state level.
- Modernization of insurance regulation will bring greater uniformity, sureness, and speed to the regulatory system.
- Producers would be regulated by one entity and only need one license to sell products in all 50 states.
- Consumers will benefit from lower rates and the greater availability of insurance products and coverage that will result from streamlining regulations. Implementing an optional federal charter will also allow the market to respond to consumer demand.
- Insurers would be able to bring their products to market more quickly because they would only have to obtain approval from a single regulatory body rather than in multiple states as they do now under the patchwork quilt of state regulation.
- Members of Agents for Change offer expert advice to public policy makers as they move forward to enact an optional federal charter.

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## Invitation to Attend the Agents for Change Legislative Conference

Please join your colleagues during the Agents for Change legislative conference on May 23<sup>rd</sup> and 24<sup>th</sup>, 2006.

The legislative conference offers valuable political advocacy and relationship building opportunities and will give you an opportunity to learn more about important legislative developments.



Agents for Change will schedule meetings for you with Members of Congress who are interested in insurance regulation reform. However, we will also attempt to schedule meetings for you with your home state Representative/Senators.

This year's conference will include guest speakers and a moonlight tour of the Washington, DC monuments.

More information is available on our website. Early bird RSVP's are welcome and encouraged as **space is limited**.

Please contact Peter Ludgin at [peter@agents4change.net](mailto:peter@agents4change.net) or (202) 589-1929 with questions or to RSVP.

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# Legislative Process 101

- ✓ Idea – All bills start as an idea
- ✓ Author – A legislator takes the lead and drafts a bill
- ✓ Introduction – A bill is introduced and referred to committee
- ✓ Committee Process – The committee with jurisdiction typically holds hearings on the bill. A markup is held to allow for amendments. If a majority of the committee members vote to move the bill out of committee the bill then moves to the floor
- ✓ Floor Consideration – A bill is debated and possibly amended on the floor. Once debated a vote is held. Floor consideration occurs in both the House and the Senate
- ✓ Conference – If an identical bill is approved by both chambers it moves to the President's desk for his signature. However, if the bills differ a conference committee is formed to hash out differences
- ✓ Once Members of the conference committee agree on the differing provisions a final version of the bill is sent to both the House and the Senate
- ✓ If approved by both chambers the bill is sent to the President for signature

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## In the News

### Efforts to Modernize Insurance Rate Regulation Gain Momentum

*Best's Insurance News, January 23, 2006*

...Under a file-and-use or flex-rating system, insurers have more freedom to price their products without prior approval from a state's insurance regulator. The system lets the market regulate itself, with the goal of ushering in competition among insurers, which ultimately results in lower prices for the policyholder, advocates say.

According to the Insurance Information Institute, rate regulation began in an era when states regulated railroads, utilities and almost all other domestic commerce. Those were the days when small mutual companies insuring property risks were the norm, and the majority of insurance was sold by companies that operated in a single state...

Capping the price of insurance doesn't make it more accessible; it makes it less accessible and reduces the supply of insurance,' Boudreaux said [chairman of the economics department at George Mason University]. That makes it more difficult for people to get insurance. If government caps the price of insurance, there are fewer insurers in the market and less competition. On the other hand, if you open up the market to a free-market system, you don't know how far down competition would drive prices...

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## In the News (Cont'd)

### New Group Seeks to Challenge Agents on Optional Federal Chartering

*Liability and Insurance Week, August 8, 2005*

...While most insurance agents oppose optional federal chartering, a recently established group is hoping it can change some minds.

Called Agents for Change, the group believes that insurance agents will be a major beneficiary if Congress enacts legislation that would allow both insurance companies and agents to obtain a single national license.

Like many agencies, he [Robert Poli] told *Liability & Insurance Week*, Insurance Marketing Center [his firm] must employ a person full time just for the task of maintaining all the necessary licenses...

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## Upcoming Events

Please visit our website, [www.agents4change.net](http://www.agents4change.net), or call Peter Ludgin at 202.589.1929 for more information about the events listed below. Early bird RSVP's are welcome and encouraged.



### Legislative Conference

May 23<sup>rd</sup> and 24<sup>th</sup>, 2006 - Washington, DC



### In-District Meetings with Members of Congress

August, 2006 - Locations across the United States



### Community Build Day 2006

August 5<sup>th</sup>, 2006

*"Competitors in the Marketplace, Cooperation in the Community"*

Community Build Day, illustrates the financial services industry's commitment to the communities in which they work and to further develop relationships with elected policymakers. In 2005, more than 72 national, state, and local public officials joined Community Build Day in 22 cities, with 38 companies and 2100 volunteers who built or rehabbed homes for 200 families. The goal for 2006 is "50 builds in 50 states."

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## Spread the Word

Please share this newsletter and the attached "Join Now" form with friends and colleagues who may be interested in an optional federal charter. **Urge them to join Agents for Change – on this debate, strength truly is in numbers.**

*For more information please contact:*

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