



SIMPLIFYING MATTERS

The Agents for Change Newsletter

"Simplifying Regulation for Agents and Brokers..."

Spring Edition 2008

Volume 3, Issue 1

In This Issue

- Message from your Chairman
- Invitation to Attend Legislative Conference
- Why an OFC is Smart Public Policy
- Producer Benefits of an OFC
- Consumer Benefits of an OFC
- Project Town Hall
- Legislative Update
- In the News
- Upcoming Events
- Please Note
- Spread the Word

Membership

Join Agents for Change by visiting our website at www.agents4change.net

Contact Us

1001 Pennsylvania Ave NW
Suite 500 South
Washington DC 20004

Phone: 202.589.1929

Fax: 202.628.2507

E-mail:
peter@agents4change.net

On The Web

www.agents4change.net



Message from Your Chairman

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

Agents for Change represents over 5,500 insurance agents and brokers nationwide from across all lines of insurance. Our members 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.

Agents for Change is leading the way as insurance regulation reform is discussed in Congress. I am proud that due to your hard work, Members of Congress now recognize that insurance producers support an OFC.

Members of Agents for Change met with 40 Members of Congress on Capitol Hill and 19 members of Congress in their district offices in 2007. 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 include: our legislative conference on June 10 and 11, in-district meetings with your elected officials, letter writing campaigns, and submitting op-ed's and/or letters to the editor to your local newspapers.

Congress, the press, and other trades look to Agents for Change to gauge where the producer community is on OFC. But 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, stewardship, and input as we move forward.

Sincerely

Robert Poli, CBC

In This Issue

- Message from your Chairman
- Invitation to Attend Legislative Conference
- Why an OFC is Smart Public Policy
- Producer Benefits of an OFC
- Consumer Benefits of an OFC
- Project Town Hall
- Legislative Update
- In the News
- Upcoming Events
- Please Note
- Spread the Word

Membership

Join Agents for Change by visiting our website at www.agents4change.net

Contact Us

1001 Pennsylvania Ave NW
Suite 500 South
Washington DC 20004

Phone: 202.589.1929

Fax: 202.628.2507

E-mail:
peter@agents4change.net

On The Web

www.agents4change.net

Invitation to Attend the Agents for Change Legislative Conference

Please join us at our annual legislative conference on June 10 and 11, 2008.

The conference offers valuable political advocacy and relationship building opportunities. It will give you an opportunity to learn more about legislative developments and allow you to further develop your relationships with public policy makers.



Agents for Change will schedule meetings for you with your elected officials and members of Congress who are interested in insurance regulation reform.

Last year's legislative conference was a true success with two-dozen producers blanketing Capitol Hill in an eight hour lobbying blitz.

Senator John Sununu (R-NH), Representative Ed Royce (R-CA), and Governor Frank Keating, President of the American Council of Life Insurers, were among our many speakers.

This year's conference will feature tours of the East Wing of the White House, the Capitol, and Smithsonian along with guest speakers and networking opportunities.

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 or 202.589.1929 with questions or to RSVP.

Why an OFC is Smart Public Policy

- An OFC will help modernize insurance regulation, bringing greater uniformity, sureness, and speed to the regulatory system.
- Easing regulatory burdens by permitting producers and insurers to choose a single federal regulator will benefit anyone who buys or sells an insurance product.
- Producers would have the choice to be regulated by one entity and obtain only one license to sell products in 56 jurisdictions (including the 50 states, the District of Columbia, and five U.S. territories).
- Consumers will benefit from greater availability of insurance products and coverage that will result from streamlining regulations.
- Implementing an OFC will allow the market to respond more quickly 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.

In This Issue

- Message from your Chairman
- Invitation to Attend Legislative Conference
- Why an OFC is Smart Public Policy
- Producer Benefits of an OFC
- Consumer Benefits of an OFC
- Project Town Hall
- Legislative Update
- In the News
- Upcoming Events
- Please Note
- Spread the Word

Membership

Join Agents for Change by visiting our website at www.agents4change.net

Contact Us

1001 Pennsylvania Ave NW
Suite 500 South
Washington DC 20004

Phone: 202.589.1929

Fax: 202.628.2507

E-mail:
peter@agents4change.net

On The Web

www.agents4change.net

- Currently state regulation is unevenly enforced; we proudly support a strong national regulator responsible for enforcing consistently high consumer protections across the country.
- It is important to stress that the first word in OFC is 'optional' -- we are not advocating the abolishment of the state based insurance regulatory system nor would we support a weak federal regulatory system. We simply support allowing producers to choose the regulatory structure that best fits their businesses.
- Open markets, choice, and competition should prevail in the insurance marketplace.

Producer Benefits of an OFC

Under the current state-based regulatory system, insurance producers who sell products in multiple states are mired by confusing, contradictory, sometimes duplicative and oftentimes, unnecessary rules and regulations that differ among the states in which they do business.

➤ **Producers will have greater licensing flexibility and choice.**

Under an OFC, producers would have a choice to be regulated by the federal or state government. Under a federal regulatory system, producers could apply for a single, national license that would allow them to sell for both national insurers, as well as state-chartered insurers, in all 56 jurisdictions.

The key word is OPTIONAL - producers can choose to remain under the current state regulatory system. If state regulation works for their business model there will be no change, with the exception that producers will be able to offer clients an increased number of products that will likely be available from national insurers.

➤ **The ability of producers to serve their customers' needs will improve.** Nationally licensed producers will be able to provide additional products and services to all of their customers, regardless of the state in which they reside – or where they may move. Moreover, because of enhanced speed to market of products producers will be able to provide their customers with more timely access to the improved and innovative products that insurers will be able to offer.

➤ **Strong, uniform consumer protections will be established.** A national system of insurance regulation would assure consumers the same protections and recourse regardless of their residence. It would make it easier to track and discipline fraudulent producers – benefiting both reputable producers and consumers.

➤ **Administrative procedures and requirements will be streamlined, reducing confusion.** Nationally licensed producers would be subject to only one set of market conduct requirements, education standards, and product regulations – as opposed to the current system's many differing sets. The agent residency requirements would also be eliminated.

In This Issue

- Message from your Chairman
- Invitation to Attend Legislative Conference
- Why an OFC is Smart Public Policy
- Producer Benefits of an OFC
- Consumer Benefits of an OFC
- Project Town Hall
- Legislative Update
- In the News
- Upcoming Events
- Please Note
- Spread the Word

Membership

Join Agents for Change by visiting our website at www.agents4change.net

Contact Us

1001 Pennsylvania Ave NW
Suite 500 South
Washington DC 20004

Phone: 202.589.1929

Fax: 202.628.2507

E-mail:
peter@agents4change.net

On The Web

www.agents4change.net

Consumer Benefits of an OFC

Each state has its own unique regulatory system. This cumbersome patchwork of laws and regulations creates an environment full of unnecessary expenses and delays that ultimately harms the consumers producers are trying to serve.

Currently, consumer safeguards differ from state to state, products are not universally available, and producers (who oftentimes are trusted financial advisors) are unable to serve customers that move out of state.

An OFC would eliminate these problems by creating a uniform and consistent system for insurance regulation – that would remove barriers to consumer choice, increase competition, and offer consumers the same protections nationwide.

- **Consumers will be able to stay with their trusted insurance advisors no matter where they live (or move).** Under a national system, consumers will not have to find a new insurance agent when they move from one state to another. In the 21st century, this makes no sense.
- **Consumers will have access to the same products and services no matter where they live.** A national regulator would make it possible for insurers to offer consumers in all states the same products and services – giving consumers more timely access to improved and innovative products.
- **Consumers will benefit from uniform rules for sales and marketing practices.** The national insurance regulator would oversee both national insurers' products and the producers who sell them. This provides uniform protection for consumers.
- **Consumers will be assured equal protection under the law regardless of their residence.** A national, centralized system of regulation would establish strong and uniform protections for consumers. Under the status quo, consumer protection laws and regulations differ from state to state, as does the enforcement of these laws.
- **Fair market pricing.** Rate freedom will allow the market (not regulators) to set prices and may produce savings for consumers.

Project Town Hall

Agents for Change is proud to host in-district meetings for our members across the country.

These meetings give producers an opportunity to further develop their relationship with elected officials and allow members of Congress to hear directly from their constituents (i.e. voters) on the importance of insurance regulation reform in a relatively relaxed environment.

As a service to our members we also provide information on town hall forums initiated directly by Congressional offices.

If you are interested in attending an in-district meeting or a town hall forum please let us know by e-mailing or calling Peter Ludgin.

In This Issue

- Message from your Chairman
- Invitation to Attend Legislative Conference
- Why an OFC is Smart Public Policy
- Producer Benefits of an OFC
- Consumer Benefits of an OFC
- Project Town Hall
- Legislative Update
- In the News
- Upcoming Events
- Please Note
- Spread the Word

Membership

Join Agents for Change by visiting our website at www.agents4change.net

Contact Us

1001 Pennsylvania Ave NW
Suite 500 South
Washington DC 20004

Phone: 202.589.1929

Fax: 202.628.2507

E-mail:
peter@agents4change.net

On The Web

www.agents4change.net

Legislative Update

Agents for Change strongly commends **Senators Tim Johnson (D-SD) and John Sununu (R-NH) and Representatives Melissa Bean (D-IL) and Ed Royce (R-CA)** for introducing the National Insurance Act of 2007 (S. 40 and H.R. 3200), companion legislation to create an OFC.

These bills have all the elements necessary for effective insurance regulatory reform. They are comprehensive: they create an optional federal regulatory structure for life, property & casualty, and health producers and life and property & casualty insurers. They address essential elements of insurance regulation including licensure, rate approval, guaranty funds, and state law preemption. Importantly, the bills take a simple and straightforward approach to regulation, a hopeful sign that the archaic state system will not be replaced by a convoluted federal structure.

For agents and brokers, the bills appear to be just what Agents for Change has wanted and pushed hard for: a truly optional licensing system.

Agents for Change looks forward to additional hearings on these bills in the House Financial Services Committee and the Senate Banking, Housing, and Urban Affairs Committee this year.

Upcoming Events

Please visit our website, www.agents4change.net, or contact Peter Ludgin for more information about the events listed below.



Legislative Conference

June 10 and 11, 2008 - Washington, DC



In-District Meetings with members of Congress

Locations across the United States



Town Hall Forums with members of Congress

Locations across the United States

Please Note

Agents for Change sends periodic e-mails bringing members legislative updates and opportunities to influence the system. If you have not been receiving these e-mails your spam filter may be blocking them.

Please ask your system administrator to configure your system to allow e-mails from peter@agents4change.net and robert@agents4change.net in order to receive updated information from Agents for Change.

Also, please contact Peter Ludgin to make certain your current e-mail address is on file.

In This Issue

- Message from your Chairman
- Invitation to Attend Legislative Conference
- Why an OFC is Smart Public Policy
- Producer Benefits of an OFC
- Consumer Benefits of an OFC
- Project Town Hall
- Legislative Update
- In the News
- Upcoming Events
- Please Note
- Spread the Word

Spread the Word

Please share this newsletter 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 is truly in numbers.**

For more information please contact:

Peter Ludgin, Executive Director, Agents for Change
1001 Pennsylvania Avenue NW, Suite 500 South
Washington DC, 20004

Phone: 202.589.1929 Fax: 202.628.2507

E-mail: peter@agents4change.net



"Simplifying Regulation for Agents and Brokers..."

1001 Pennsylvania Ave, NW Suite 500 South
Washington, DC 20004

PRESRT STD
AUTO
U.S. POSTAGE
PAID
WASHINGTON, DC
PERMIT NO. 497

**Can you meet your customers
needs at this pace?**

If so, [Agents for Change](#) can help
One insurance license to sell in 56 jurisdictions
Additional products in a more timely manner
Visit our webpage to learn more about how you
can help modernize insurance regulation
On this debate, strength is in numbers

- Licensing hassles
- Additional costs
- Excessive paperwork
- Speed to market issues
- Losing customers who move out of state
- Inconsistent & duplicative regulation
- Artificially regulated rates

TIRED OF...



"Simplifying Regulation for Agents and Brokers..."

Membership

Join Agents for Change by
visiting our website at
www.agents4change.net

Contact Us

1001 Pennsylvania Ave NW
Suite 500 South
Washington DC 20004

Phone: 202.589.1929

Fax: 202.628.2507

E-mail:
peter@agents4change.net

On The Web

www.agents4change.net