

From The Desk of

Jim Genetti

February 3, 2011

Monthly report for the month of January

January 10, 2011

The 1st Regular Session of the 61st Idaho Legislature Convened

On that day Tom had a Legislative conference call with Scott and me and other Legislative Chairs from chapters around the state.

January 18, 2011

Scott, Tom, Dan Jones and I met for lunch to discuss our strategy for the upcoming Governor's Meeting.

January 19, 2011

Meeting with Rep. Black

Prior to our meeting with Rep. Black I had a telephone conversation with Shad Priest to find out if he could remember why the Disability agents were left out of the rebating legislation. He stated that to his recollection one of the Blues had fears that the statute would allow the other Blues to give away certain services without charging for them so they protested and to accommodate them John Mackey removed the disability agents from the statute so that it could pass unopposed. Mr. Priest said that, he believed, the conflict the Blues had with the statute had since been resolved and it did not feel they would object to our proposal to include disability agents in the statutes.

Scott and I met with Representative Max Black, Chair of the House Business Committee. The reason we ask for a meeting was to discuss our proposed amendment to the rebating statute which would allow Disability agents and companies to give items valued at no more than \$50 at any one time to their insured's or potential insured's. The present statute allowed all other producers selling Life, or Property Casualty insurance to do the \$50 rebate but did not include disability agents. During the meeting we found that Representative Black had previous discussions with several large health insurance agencies regarding proposed amendments to the rebating statutes or a possible rewrite of the statute to allow certain "services" that are necessary to administer some group plans to be offered free of charge to the insured groups and their policy holders as well.

Representative Black expressed an interest in our proposal to add the Disability Agents, but seemed hesitant to consider opening the statute beyond what was presently allowed.

Scott has since written the proposed changes which would allow Disability Agents to give items not to exceed \$50 and the proposal includes a provision to limit the \$50 gifts to no more than semi-annually or twice per year. The present statute just states "per time", which is very open ended.

Representative Black said he would be in discussion regarding the more comprehensive proposal and that we should get back to him with our proposal. Scott has since sent out his proposed amendment for the membership and committee approval.

January 21, 2011

Meeting with the Governor

Scott, Tom, Heather and I attended along with Shad Priest from the Department of Insurance, Tammy Perkins and Dustin Wilcox from the Governor's office and of course Governor Otter.

Tom asked the Governor to speak at the Association's annual Health Conference in April. The Governor said they would put it on their calendar but would not commit any further than 45 days out, so Tom will follow up and confirm later.

Scott and Tom discussed how the Patient Protection and Affordable Care Act's MLR requirements had caused the insurance companies to cut commissions for their Health insurance agents and how that will affect the agent's ability to make a living. The loss of agent's jobs as well as agent's staff positions was discussed and the impact the cuts would eventually have on customer service and advocacy because of the reduction in the agent's work force.

We spoke of the support the DOI, and the NAIC had given us regarding an MLR waiver and frustration we have all had in dealing with HHS's rules and requirements in requesting a waiver. We told him we are in a defenseless position because only the companies can provide the necessary data to request a waiver and to date they have not shown any willingness to do so.

The Governor was in full sympathy with our cause and said that his office could issue a Memorial, giving the states support to our cause. He asked that we submit language for his staff to consider.

January 25, 2011

The House Business committee heard the presentation from the DOI on their Rules. Almost all the rules dealt with adoption of pending rules which were approved as temporary rules and had already been enacted and were being presented to make them permanent rules. Several rules dealt with actuarial solvency requirements and another allowed use of company mortality tables and the temporary rule on the health carrier external review requirements was approved.

The primary rule submission that would directly affect agents was a proposed amendment to rule 53 which would remove the requirement that ethics courses be stand alone courses and would add a requirement that all correspondence courses would have a requirement that courses taught on-line would require a test at the end of each chapter, and the person taking the course would have to pass

each chapter test with a score of 70 before moving on to the next chapter. Home study book courses not taken on-line would have the same requirement but the testing passing grade requirement at the end of each chapter would be on the honor system.

The Senate Commerce and Human Resource Committee heard the rules on January 27th. Both House Business Committee and Senate Commerce Committee voted to approve the rules and send them to the floors for approval.