



NAIFA Oregon

Combined Governmental Affairs/Health Conference Call, October 12, 2016

In attendance:

- Roger Beyer, lobbyist
- Lisa Lettenmaier, State President Elect
- Dave Willis, APIC
- Laura Powell, Lane Co.
- John Thunnell, Blue Mountain President
- John Root, Umpqua President
- Todd Yorke, Salem President Elect
- Mary Louise VanNatta, Staff
- Jess Campbell, Staff

Governmental Affairs/Beyer

LEGISLATIVE REPORT

Labor arena:

- Predictive Scheduling workgroup is meeting
- No business representatives are on the workgroups, they pulled out last summer because they felt they were not being heard. This was not mentioned by the leadership.
- They plan to push ahead with the bill in 2017 which will be modeled after Seattle and San Francisco ordinances. These only affect retail and food service.
- There is a concern it may open up to other sectors.

Oregon Retirement Savings Plan Group

- Set up the rules for the state-run retirement system
- Last meeting was Oct 11.
- They finalized what the rules will look like and will have a clean draft by end of the week. It goes in front of the board on Oct 18.
- Rules should be finalized by Jan 2017
- It will be implemented on 7-1-17
- California has delayed implementation because of cost.
- It will be a Roth IRA and the required contribution will start out at 5% and they hope to raise it to 10% over time
- Companies with less than 100 employees will phase in over 4 years

- How to deal with sole proprietors will be an issue
- Agricultural community wants an exemption
- How to deal with companies who already have accounts was discussed
- PERS employees (during 6 month waiting period) could also be an issue
- State will initially loan money to plan but plan will eventually pay it back. There will be substantial fees to pay the cost
- The employer can't contribute to this plan, the employee can opt out, but there is no protections from ERISA

Measure 97

- If Measure 97 passes, the 2.5% tax will affect annuities who have more than \$25M in sales. Not only will the state compete with the private sector, but will have a competitive advantage over the private because the state would not have to pay this tax if the measure passes. If Measure 97 passes, rates will go up for everything.
- Recent poll indicates 41% support and 47% opposed. Previous polls indicated support in the mid 50% range.
- NAIFA National has no issue with NAIFA Oregon taking a stand on Measure 97.

Senior Financial Protection- LC 705

- Workgroup on abuse of seniors reporting requirements - Oregon LC 705 is still in development. Versions of this act have been passed in other states. Some are similar to what NAIFA would like to see.
- Qualified individuals (salesperson/investment/supervisory person in a financial role) required to mandatorily report financial exploitation to DCBS (Department of Consumer and Business Affairs) and DHS-Adult protective services.
- DCBS will oppose the act
- Training to recognize abuse was not discussed.
- Rules are coming at the end of the year which will require reporting for companies who are members of FINRA (Financial Industry Regulatory Authority)

ACTION: Beyer will send draft to be posted on website

The Back Stop Concept - LC 708

- Requires Errors and Omission Insurance for certain practitioners (if you have custody of client funds)
- Must carry up to \$1M insurance
- No significant opposition to this

Bad Faith Legislation

- Hasn't seen Bad Faith laws coming back
- Senator Shields has pushed that in the past

Nationwide Insurance has asked for feedback on a few issues:

1. Policy renewals and replacement policy when companies merge or change names, etc. Currently you have to cancel a policy and reissue, they would like to just be able to reissue with 30 days' notice and not have a mandatory cancellation.
2. [746.045](#) allows a safe harbor for rebates under \$100. Rebate programs must be fully disclosed in the policy and requires DCBS approval. This allows up to \$100 without having to be disclosed. Allows for market reinnovation. This may give Nationwide an unfair advantage against struggling companies who cannot afford to do this. Insurance companies may want to take a stand against this.

ACTION: Members should share any issues with Beyer so he can send them to the Nationwide lobbyist.

Health Committee - Lisa Lettenmaier

- All the rates and plan summaries for the various carriers are available to review
- There are huge concerns in the Individual health industry that people will drop their health plans and just pay the tax penalty do to the premium increases for 2017
- There is a likelihood that more consumers will qualify for subsidies this year through the exchange, if you are a health agent who is not certified for the "Exchange" you may lose some business.
- Kaiser will have the lowest priced rates for Individual health plans in their markets.
- The Oregon Market Place has a new "Agent Locator" tool for consumers to find health agents and a separate "Agent Locator" tool for consumers to find Medicare agents, this is for Oregon only
- Michael Morter with the OR Market Place is aware of the issues agents have seen with the advice being given by SHIBA (Senior Health Insurance Benefits Assistance) volunteers and is going to work with SHIBA to do better training and encourage SHIBA volunteers to help consumers find an agent...which is why he started the "Agent Locator" link for Medicare agents.
- Annual Election Period for Medicare Advantage plans and Medicare drug plans runs from 10/15/16 - 12/07/16
- Open Enrollment for Individual Health plans runs from 11/01/16 – 01/31/17
- Commissions for Individual health plans are as follows:
 - Atrio \$14 PMPM
 - Bridgespan \$12 PMPM
 - Health Net will NOT be paying commissions on Individual health plans
 - Kaiser \$15 PMPM (paid lump sum of \$180)
 - MODA \$12 PMPM
 - PacificSource \$7 PMPM
 - Providence \$15 PMPM
 - Regence \$12 PMPM

- Zoom \$14 PMPM

A full update from the Oregon Market Place can be found at the following link

<https://olis.leg.state.or.us/liz/201511/Downloads/CommitteeMeetingDocument/92650>

It's all about communication. Remember we are here to help. Be kind. Teach consumers about the stress of this time of year.

Adjourned at 10:01 a.m.

Next Meeting: Wednesday, November 9, 2016 9:00 a.m.,

Dial in: 1-503-210-2091, Conference Bridge 2, Code: 6931