

**26<sup>th</sup> Annual IIAA National Legislative Conference**  
**White House Briefing**  
**April 12, 2002**

by Chase Carmen Hunter

Changes in the insurance industry have never been as dramatic as the changes resulting from the terrorist attacks in September 2001. The most fundamental change is the increase in premiums. During the White House briefing which was held on April 12, 2002, for the IIAA members (which was formally renamed on the same day to the Independent Insurance Agents and Brokers Association, Inc., or the IIABA), Secretary Sheila C. Bair, the Assistant Secretary of the Treasurer for Financial Institutions, reported that while the full impact of the terrorist attacks is not fully understood at this point, politicians agree that the impact will ripple through the economy and take with it many innocent victims. Jobs are being lost as construction slows. Construction is slowing because builders are not able to obtain construction loans because lenders will not lend money for building projects that do not have terrorism insurance. Insurers are refusing to offer terrorism coverage. So, Congress must quickly pass legislation regarding terrorism insurance so that the economy will continue to thrive.

But according to Secretary Bair, passing such legislation is difficult when the Senate is under Democratic leadership and the House is under Republican leadership. Secretary Bair suggested that you contact your Representatives and Senators. Ask them to pass legislation regarding the formation of a terrorism insurance backstop. Find your representatives' contact information at [www.senate.gov](http://www.senate.gov) and [www.house.gov](http://www.house.gov). If you are from South Dakota or know residents of South Dakota, ask them to contact Senator Daschle and ask him to pass such legislation. He has tremendous power in the Senate, and his support in passing the terrorism bill is greatly needed.

Secretary Bair also addressed the Office of the Comptroller of the Currency's (OCC) recent pre-empting of the state insurance laws in West Virginia and Massachusetts. Her department is looking into the OCC's logic behind its legal opinions that were used as a basis for acting in conflict with the Gramm-Leach-Bliley Act when it recently pre-empted state laws. It is believed that the OCC is looking into pre-empting state laws in several other

states but has not yet publicly announced this decision. Congress made the OCC an autonomous agency, but many believe that that autonomy does not give the OCC a license to disregard the provisions of the Gramm-Leach-Bliley Act.

Dr. K. Philippa “Pippa” Malmgren is Special Assistant to the President of the United States for Economic Policy. She serves on the White House National Economic Council, where she has responsibility for financial market issues. She discussed the President’s Small Business Initiative ([www.WhiteHouse.gov/infocus/smallbusiness](http://www.WhiteHouse.gov/infocus/smallbusiness)). This initiative was borne out of the President’s priority to create jobs for Americans. According to Dr. Malmgren, studies show that small businesses (less than 500 employees) are the biggest contributors to job creation since they create more than two-thirds of the net new jobs and employ more than half of all private sector employees.

The Small Business Plan is designed to promote small business expansion, to decrease taxation for small businesses, and to assist with cost savings for employee benefits for small businesses. One area of concern for the IIABA members in attendance was the feature of the Small Business Plan that allows associations to provide their own health insurance plans. Three members were very outspoken on the weaknesses of this provision and suggested that this provision would not help small business owners.

Finally, the last speaker during the White House briefing entered the room: Chief of Staff, Andrew H. Card, Jr. He spoke to the group of about 200 IIABA members for about 70 minutes. His presentation completely captured everyone’s attention. Secretary Card could have talked all day, and the crowd would have been clamoring for more. He was eloquent and spoke with awesome skill.

He did not talk about insurance because he said that he knew nothing about it. Instead, he described the activities and structure of President Bush’s day which starts at 6:50 a.m. and ends at about 6:30 p.m. He discussed the President’s priorities which were: the Middle East, the war on terrorism, the economy, and philanthropy.

Secretary Card inspired the crowd to take immediate action to participate in two patriotic passions. The first of his passions was to help win the war on terrorism by being a good neighbor. He and President Bush believe that

kindness is more powerful than evil and that evil can be overcome only by kindness. He invited the members of the audience to do one good thing for their neighbors because those good deeds will help keep evil out of all of our lives.

The other patriotic passion that Secretary Card shared was prefaced by a moving childhood story involving his grandmother with whom he spent much of his time while he was growing up. She helped promote his passion for politics. And when she passed away, she left him with a “wonderful curse”. Just hours before she passed away, she told him, “Andy, never stop participating in government because if you don’t, democracy will die.” This “curse” fueled his insatiable appetite for politics. He warned the crowd, “Whether you like it or not, I am going to participate (in politics). And whether you are a Democrat or a Republican, you should participate too because if you don’t, you deserve what you get.”

Copyright applied for 2002, Chase Carmen Hunter

Biography: Chase Carmen Hunter is the owner of Chase Financial Services in Fredericksburg, Va., which sells commercial insurance and investments. She has nine years experience in the industry. For more information, visit: [www.ChaseCHunter.com](http://www.ChaseCHunter.com). She can be reached at 540-371-5114 or at [Chase@ChaseCHunter.com](mailto:Chase@ChaseCHunter.com).