

Wed, May 17
8:30am

May 14, 1995

TO: SENATOR DOLE ⁶⁷
FROM: ADO MACHIDA
SUBJECT: INDEPENDENT INSURANCE AGENTS OF AMERICA (IIAA)

It is my understanding that you will be speaking to the members of the Insurance Agents of America tomorrow, May 17, 1995. This group's main concern is:

GLASS-STEAGALL REFORM

Two bills are already introduced -- H.R. 1062 by Congressman Leach of the House Banking Committee; and S. 337, by Senator D'Amato of the Senate Banking Committee (Administration's plan is still in conception -- although they are in favor of Glass-Steagall Reform, no formal proposal has been sent to Congress). H.R. 1062 was marked-up by the House Banking Committee last week, and awaits mark-up by the House Energy and Commerce Committee (House-side had a joint committee referral). Senator D'Amato has not yet scheduled any hearing on his bill. It is my understanding that he will wait until a bill is passed in the House.

Both Congressman Leach's bill and Senator D'Amato's bill reform the Glass-Steagall Act and will allow commercial banks to participate in the securities and, possibly, insurance industries, which are currently prohibited. Senator D'Amato's bill is more far-reaching than Congressman Leach's bill.

IIAA Position

The IIAA is opposed to either bill -- they are concerned that some form of "insurance affiliation language" will be included in the bill. Allowing banks to participate in the insurance industry is equivalent to allowing an unfair competitive advantage to banks, in IIAA's view -- "Banks will have immediate access to who needs insurance for a car or a house through their car and home lending side. Insurance agents have to create their own clientele without the benefit of knowing who just got a car loan."

Chairman Leach has already voiced his opposition for any "insurance affiliation" amendments. Chairman Bliley of the House Energy and Commerce Committee has already expressed that he does not want to "deal" with the issue in his committee (Congressman Bliley has his own bill -- H.R. 1317 that simply reaffirms the preeminence of State law in all insurance matters). Senator D'Amato has expressed some flexibility on this issue when it comes to the Senate.

Plan of Action

IIAA will most likely ask that the Bliley bill be incorporated in the Leach bill. What will happen in the Senate, however, is less known. Regardless, I strongly believe that some form of Glass-Steagall reform will pass Congress.

On this issue, your position has been of "cautious neutrality." Glass-Steagall Reform is good for the financial community and more importantly, the end-user, the consumer. "One-stop-shopping" for all financial products is the wave of the future. However, you are very much in favor of States' rights. On the "insurance" question as it relates to Glass-Steagall reform, you should not have any problem in paralleling Bliley's position.

TO: Senator Dole
FR: Kerry

RE: Independent Insurance Agents of America

*Remarks before approximately 600 independent insurance agents representing all 50 states.

*Invitation sent by their IIAA Vice President Bob Rusbult, who asked that you mention his support of you in your remarks.

*You will be introduced by Charles Hostetler from Manhattan, Kansas. He is a long time supporter of yours. Upon completion of your speech, Robert Kerr of the Kansas Association of Insurance Agents will present you with a gift.

*Remarks on national issues such as the budget outlook were requested.

*Issues of specific interest

*Financial Services Reform

*Superfund

*Civil Justice Reform

*Remarks on those topics were submitted by Ado, Janet, and Kyle and are in talking points.



Independent Insurance Agents of America

INCORPORATED

MEMORANDUM

May 12, 1995

CAPITOL HILL OFFICE
SUITE 300
412 FIRST STREET, S.E.
WASHINGTON, D.C. 20003
202/863-7000
FAX 202/863-7015

TO: Majority Leader Bob Dole

FROM: Bob Rusbult, Vice President, Federal Affairs

RE: Address at the National Legislative Conference of IIAA on
Wednesday, May 17

Thanks again for agreeing to address my Legislative Conference. Following is some information regarding your speech:

Date and Time: Wednesday, May 17, 8:30 a.m.

Location: Grand Hyatt Hotel
1000 H Street, NW
(10th & H Streets, N.W.)
202-582-1234

Logistics: The breakfast begins at 8:00 a.m., and your speech begins at 8:30. Please feel free to join us for the breakfast, or you may arrive at 8:25, just prior to your speech. You will be met at the front entrance of the Grand Hyatt by Phil Anderson, IIAA's Senior Washington Representative, who will escort you to the Constitution Ballroom. Your car and driver can wait for you at the front entrance. I will be the first person you see and meet at the head table. The podium will be situated in the middle of the head table. Sitting on your left will be Harlan Miller, President of IIAA, who is from California.

Introduction: You will be introduced by Charles Hostetler from Manhattan, Kansas. He is a long time and strong supporter of yours.

Speech: I believe this audience of 600 small business owners from all 50 states is a good forum for the announcement of a new policy or political initiative. The agents of course want to hear your thoughts on all the salient issues -- i.e. the budget outlook, and other national issues. The specific insurance issues of major importance are:

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1) Financial Services Reform: IIAA opposes bills, such as the one introduced by Sen. D'Amato, that would preempt state insurance laws. IIAA wants Congress to clarify that unelected federal regulators cannot preempt state insurance laws.

2) Superfund: IIAA supports true Superfund reform that eliminates retroactive liability.

3) Civil Justice Reform: IIAA supports the House version of liability reform, and applauds your efforts to broaden the Senate bill.

**Following
Speech:**

Upon completion of your speech, Robert Kerr of the Kansas Association of Insurance Agents will present you with a gift on behalf of the Kansas agents.

Press:

The speech is open to the press. C-Span, the Wall Street Journal, New York Times, the Washington Post and others have already stated they plan to cover your speech.

Miscellaneous:

Addressing our Conference on Tuesday morning are Newt Gingrich and Tom Daschle. Also, Rep. John Boehner will address my national leadership at a Friday luncheon before your speech. Finally, the Kansas agents will be sitting at the front tables during your speech.

Thanks again Mr. Leader. As always, let me know if I can help. (Note: any mention in your remarks of my personal help and involvement in your campaign effort and Republican causes would be appreciated -- and mutually beneficial. I have been helping my former boss Carroll Campbell on your presidential campaign efforts. My leadership knows that I am committed to the Dole campaign.

***THANK YOU, CHARLES, FOR
THAT GENEROUS INTRODUCTION.
IT'S GREAT TO SEE YOU--AND SO
MANY OTHER KANSANS--HERE THIS
MORNING.**

***I KNOW YOU'VE BEEN HERE A
FEW DAYS, AND HEARD QUITE A FEW
SPEECHES--INCLUDING ONES FROM
SPEAKER GINGRICH AND SENATOR
DASCHLE YESTERDAY.**

***SO, I'LL TRY AND KEEP MY
REMARKS BRIEF, AND THEN TAKE
THE OPPORTUNITY TO HEAR YOUR
THOUGHTS AND CONCERNS.**

***I DO WANT TO THANK MY
FRIEND BOB RUSBULDT, YOUR VICE
PRESIDENT FOR FEDERAL AFFAIRS,
FOR INVITING ME THIS MORNING,
AND WHO DOES A GREAT JOB FOR
YOU. BOB AND I AGREE ON MANY
ISSUES, INCLUDING, I'M PROUD TO**

**SAY, WHO WE THINK SHOULD BE THE
REPUBLICAN NOMINEE FOR
PRESIDENT.**

***YOU PICKED A VERY EXCITING
TIME TO BE IN WASHINGTON, D.C.
EXCITING BECAUSE FOR THE FIRST
TIME IN 40 YEARS, THE REPUBLICANS
HAVE MAJORITIES IN THE HOUSE
AND SENATE. AND EXCITING
BECAUSE WE ARE USING OUR
MAJORITIES TO TRULY CHANGE**

**GOVERNMENT, TO CHANGE THE
STATUS QUO, AND TO CHANGE
GOVERNMENT'S ATTITUDE TOWARD
SMALL BUSINESSMEN AND WOMEN
AND TOWARD THE AMERICAN
PEOPLE.**

***A FORMER GOVERNOR OF
KANSAS, THE GREAT ALF LANDON,
ONCE SAID, "THERE ARE SOME
SMART PEOPLE IN WASHINGTON,
D.C. THERE ARE MORE OF 'EM IN**

**KANSAS. AND I ADD THE SAME IS
TRUE FOR THE OTHER 49 STATES AS
WELL.**

***THE FACT IS THAT THE FEDERAL
GOVERNMENT DOESN'T KNOW BEST.
AND FROM EDUCATION TO WELFARE,
MY MISSION AS MAJORITY LEADER
IS TO RETURN POWER TO THE
STATES AND TO THE PEOPLE.**

***SOME THINK THAT'S A
REVOLUTIONARY NEW IDEA. BUT**

**IT'S BEEN AROUND SINCE THE
AMERICAN REVOLUTION. YOU CAN
FIND IT IN THE 10TH AMENDMENT,
WHICH I CARRY AROUND WITH ME
WHEREVER I GO.**

***I THINK IT'S HIGH TIME WE
DUSTED OFF THE 10TH AMENDMENT
AND RESTORED IT TO THE
CONSTITUTION. WE GOT A GOOD
START BY PASSING LEGISLATION TO
PUT AN END TO UNFUNDED**

**MANDATES. BUT WE STILL HAVE A
LONG WAY TO GO.**

FEDERAL BUDGET

***AND THE BIG, BIG, BATTLE WILL
OCCUR IN THE COMING WEEKS AND
MONTHS AS WE DEBATE THE
FEDERAL BUDGET.**

***WHEN PRESIDENT CLINTON AND
THE DEMOCRATS DID ALL THEY
COULD TO DEFEAT THE BALANCED**

BUDGET AMENDMENT, THEY CALLED IT A GIMMICK, AND CHALLENGED REPUBLICANS TO LAY OUT A PLAN THAT BALANCED THE BUDGET.

***AND NOW, WE'VE DONE IT. BOTH THE HOUSE AND SENATE BUDGET COMMITTEES HAVE PUT TOGETHER HISTORIC PLANS THAT WILL STOP THE MORTGAGING OF OUR CHILDREN'S AND GRANDCHILDREN'S FUTURE, AND THAT WILL BALANCE**

THE BUDGET BY THE YEAR 2002.

***AND THE RESPONSE FROM THE WHITE HOUSE--WHICH ONLY A FEW MONTHS AGO SAID THAT BALANCING THE BUDGET WAS A TOP PRIORITY--WAS TO GO AWOL-- ABSENT WITHOUT LEADERSHIP.**

***THEY PUT FORWARD A PLAN THAT WILL RESULT IN \$200 MILLION DEFICITS FOR AS FAR AS THE EYE CAN SEE. BUT THEY'RE NOT**

**SPENDING ANYTIME PUSHING THAT
PLAN...INSTEAD, THEY'RE SITTING
ON THE SIDELINES, THROWING
ROCKS AT THE REPUBLICAN PLAN,
AND TRYING TO SCARE THE
AMERICAN PUBLIC.**

***THE FACT IS--AND WE'RE GOING
TO HAVE REPEAT IT AGAIN AND
AGAIN TO COMBAT THE
FALSEHOODS THE DEMOCRATS ARE
SPREADING--THAT REPUBLICAN**

**PLANS DO NOT CUT SPENDING IN
MANY SENSITIVE AREAS LIKE
MEDICARE--THEY JUST SLOW THE
RATE OF SPENDING GROWTH FROM
5% A YEAR TO 3%.**

*** AND ONLY IN WASHINGTON, D.C.
IS A "CUT" DEFINED AS SOMETHING
WHERE YOU WILL GET MORE MONEY
NEXT YEAR, THAN YOU DID THE
PREVIOUS ONE.**

CIVIL JUSTICE REFORM

***I ALSO WANT TO THANK THIS GROUP FOR YOUR SUPPORT OF HOUSE AND SENATE REPUBLICAN EFFORTS TO REFORM OUR CIVIL JUSTICE SYSTEM. I ESPECIALLY APPRECIATE YOUR SUPPORT FOR MY AMENDMENT TO OFFER PROTECTION FROM OUTRAGEOUS PUNITIVE DAMAGE AWARDS TO ALL AMERICANS.**

***WE HAD GREAT SUCCESS IN THE HOUSE, AND MORE LIMITED SUCCESS IN THE SENATE, AND ARE HOPEFUL WE CAN GAIN SOME ADDITIONAL GROUND IN THE CONFERENCE COMMITTEE.**

***IT WILL BE A TOUGH FIGHT, HOWEVER, AS THE AMERICAN TRIAL LAWYERS ASSOCIATION HAS A LOT OF FRIENDS ON CAPITOL HILL. THEY ARE SPENDING \$20 MILLION IN A**

**CAMPAIGN TO CONVINC
AMERICANS THAT THOSE WHO
WANT TO REFORM OUR CIVIL
JUSTICE SYSTEM WANT TO LET
WRONGDOERS OFF THE HOOK.**

***IT'S A SEXY ACCUSATION
THAT'S SURE TO GET LOTS OF NEWS.
BUT YOU AND I KNOW IT'S
COMPLETE AND TOTALLY FALSE.**

***THE FACT IS THAT IT'S SMALL
BUSINESSMEN AND WOMEN...AND**

**ITS THE AVERAGE AMERICAN FAMILY
WHO ARE HURT MOST BY LAW SUIT
ABUSE, THROUGH HIGHER PRICES
AND LOST JOBS.**

FINANCIAL SERVICES REFORM:

***I ALSO KNOW THAT YOU SOME
BIG CONCERNS WITH THE FINANCIAL
SERVICES REFORM LEGISLATION
THAT CONGRESSMAN LEACH AND
SENATOR D'AMATO ARE MOVING
THROUGH THE HOUSE AND SENATE.**

*** THE HOUSE BANKING
COMMITTEE HAS ALREADY PASSED
CHAIRMAN LEACH'S GLASS-
STAEGALL REFORM BILL, BUT THEY
HAVE DONE SO WITHOUT
INSURANCE AFFILIATION LANGUAGE.
THE HOUSE COMMERCE COMMITTEE
IS NOW CONSIDERING SOME SORT OF
"COMPROMISE" ON THE INSURANCE
QUESTION.**

***WHILE THERE SEEMS TO BE A LOT OF MOVEMENT REGARDING ALLOWING INSURANCE AFFILIATION, LET ME JUST SAY THAT IT IN A TIME WHEN WE'RE DOWNSIZING THE FEDERAL GOVERNMENT, AND RETURNING POWER TO THE STATES, IT SEEMS A BIT FUNNY TO PASS REGULATIONS THAT PREEMPT STATE INSURANCE LAWS.**

SUPERFUND

*** SUPERFUND IS ANOTHER PRIORITY FOR THIS YEAR. AS I SAID LAST YEAR, I BELIEVE THAT REAL SUPERFUND REFORM IS NEEDED. REAL REFORMS INCLUDE CHANGES TO REMEDY SELECTION AND RISK ASSESSMENT; CHANGES TO THE NATIONAL PRIORITY LIST AND INCREASING STATE AND LOCAL INVOLVEMENT IN CLEANUPS.**

**ABOVE ALL, THE ELIMINATION OF
RETROACTIVE LIABILITY SHOULD BE
PURSUED AS SEN. SMITH HAS
INDICATED. IN COMBINATION WITH
PROGRAMMATIC REFORMS,
RESOLVING RETROACTIVE LIABILITY
WILL RIGHT A MAJOR WRONG WITH
THE SUPERFUND PROGRAM.**

***THERE WILL NOT BE A TAX
INCREASE IN THE SUPERFUND
PROGRAM. ALTHOUGH**

**RETROACTIVE LIABILITY PROPOSALS
CAN BE COSTLY, REAL REFORM CAN
OCCUR WITHIN THE EXISTING BASE.**

**I UNDERSTAND YOUR INDUSTRY IS
DISCUSSING WAYS OF CHANGING
THE MAKEUP OF THE TAX
STRUCTURE, AND THERE IS INTEREST
IN THOSE PROPOSALS. I AM
ENCOURAGED THAT INDUSTRY IS
WORKING TOGETHER ON THIS
EFFORT IN THE NAME OF TRUE**

**SUPERFUND REFORM. I AM NOT,
HOWEVER, ANXIOUS TO HAVE THE
INSURANCE ISSUES FALL INTO THE
QUAGMIRE THAT OCCURRED LAST
YEAR.**

**EVERYONE WANTS SUPERFUND
REFORM AND I LOOK FORWARD TO
FUTURE DISCUSSIONS WITH YOUR
INDUSTRY ON THIS ISSUE.**

***AGAIN, IT'S A PLEASURE TO BE
HERE, AND I'D BE HAPPY TO TAKE A
FEW QUESTIONS. MY TIME IS
LIMITED, AS I HEAD STRAIGHT FROM
HERE TO A MEETING WITH ABOUT 50
REPRESENTATIVES OF THE
CALIFORNIA WINE INDUSTRY, AND
I'LL BE HAPPY TO SEE WHAT I CAN
DO ABOUT GETTING YOU SOME FREE
SAMPLES.**