



Nov. 13
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Richard S. Schweiker
President

October 27, 1989

The Honorable Robert J. Dole
United States Senate
141 Senate Hart Building
Washington, DC 20510

Dear Bob:

I am delighted that you will be participating in the ACLI Annual Meeting at the JW Marriott Hotel in Washington, DC on Monday morning, November 13.

As I indicated in my letter of invitation on April 25, you will take part in a "Congressional Dialogue" with Senator George Mitchell. I will moderate the session which is scheduled from 9:30 AM to 10:30 AM. Our format is to have each Senator give a 15-minute perceptive view of the Congressional year ahead. As moderator, I will then ask questions of both of you. The program will conclude with five-minute summations from you and George Mitchell.

This "Congressional Dialogue" has long been a highlight of our Annual Meeting programs. We were privileged to have you participate in the 1979 and 1981 presentations. We expect an audience of about 800 chief officers and senior management from our membership.

I anticipate that Bill Grant, Chairman of Businessmen's Assurance and his colleagues will be greeting you at about 9:20 AM on November 13.

Joe McCarthy from my staff has been in contact with Betty Meyer and will follow-up on details.

I look forward to greeting you on November 13.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dick", is written over the word "Sincerely,".

Richard S. Schweiker

:gsj



American Council of Life Insurance

Daniel A. Mica
Executive Vice President

October 3, 1989

Ms. Betty Meyer
Personal Secretary and
Executive Assistant
c/o Senator Robert J. Dole
141 Hart Senate Office Building
Washington, D.C. 20510-1601

Dear Betty:

Just a note to thank you for visiting with me on the telephone today regarding the ACLI request to have Senator Dole speak on November 13, 1989.

As I indicated to you, Senator Mitchell has accepted our invitation to speak. His only request is to see if we might adjust the time, if Senator Dole does not object, from 9:45 AM to 9:30 AM. We anxiously await word from you as to whether or not Senator Dole can attend and if the time change would present any problems.

I am enclosing an additional copy of the original invitation.

Thanks again for your time. We look forward to hearing from you.

Kind regards and all best wishes.

Sincerely,

Daniel A. Mica

10/23 Advised Dan Mica Sen would do at 9:30



American Council of Life Insurance

Richard S. Schweiker
President

April 25, 1989

The Honorable Robert J. Dole
United States Senate
Room 141 Hart Building
Washington, D.C. 20510

Dear Bob:

I am extending an invitation to you to participate in a "Congressional Dialogue" on the occasion of the 14th Annual Meeting of the American Council of Life Insurance on Monday, November 13, 1989 in Washington, D.C.

Our Annual Meeting, attended by 800 to 1,000 chief officers and senior management of our membership, the nation's life insurance companies, will be held at the J.W. Marriott Hotel.

As you know, the American Council of Life Insurance is the principal association for the life insurance business, representing 620 companies at the Federal and State legislative levels, and in the public affairs areas.

The Congressional Dialogue has been a highlight of our program through the years. Our format is to invite a prominent member of Congress from each side of the aisle to briefly give his or her perceptions of what is happening, or is expected to happen in the Congress, and then respond in an informal manner to questions from a moderator. The session is scheduled for one hour, 9:30 to 10:30 a.m.

At our 1989 Annual Meeting we hope to present you, as Republican Leader, together with Democratic Leader George Mitchell. This would be a very effective and popular segment of our program. We were privileged to have you participate in the Congressional Dialogue at our 1979 Annual Meeting, with Dale Bumpers as your Democratic counterpart. At the request of our membership you were invited and returned again for the 1981 Annual Meeting, participating in the Congressional Dialogue with Bill Bradley.

We will, of course, provide the usual honorarium for your role in our program. I hope that you will agree to join us on November 13.

Sincerely,

Richard S. Schweiker

:gsj

cc: William D. Grant

5-11-89 Interim letter

NOVEMBER 13, 1989

REMARKS

AMERICAN COUNCIL OF LIFE INSURANCE

- O GOOD MORNING.
- O I AM SURE THAT MY GOOD FRIEND, THE MAJORITY
LEADER HAS HAD PLENTY OF TIME TO TELL YOU
WHAT WE'VE ACCOMPLISHED THIS YEAR. I HOPE ALL
OF YOU HAVE USED THE REMAINING MINUTES TO
CHANGE HIS MIND ON CAPITAL GAINS.

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CAPITAL GAINS

O I AGREE WITH THE PRESIDENT THAT WE NEED TO
REDUCE THE BIAS IN OUR TAX LAWS AGAINST EQUITY
INVESTMENT BY REDUCING THE SECOND, CAPITAL
GAINS TAX, ON ITS EARNINGS. AND I URGE THE
MAJORITY LEADER TO REVIEW THE ELECTION
RETURNS IN 40 STATES TO SEE THAT THE AMERICAN
PEOPLE SHARE THIS VIEW.

-3-

THE AGENDA

- O IN ADDITION TO OUR FIRST, PROCEDURAL VOTE ON CAPITAL GAINS, WHICH OCCURS TOMORROW, WE MUST ENACT THE FIVE REMAINING APPROPRIATIONS BILLS -- THE THREE IN CONFERENCE PLUS TWO THAT THE PRESIDENT HAS VETOED -- REFORM THE CATASTROPHIC INSURANCE PROGRAM, COMPLETE ACTION ON AID TO POLAND AND HUNGARY, AND AGREE ON A BUDGET RECONCILIATION BILL WHICH ACHIEVES REAL DEFICIT REDUCTION.

RECONCILIATION

- O AND I WANT THE MAJORITY LEADER TO KNOW THAT

THE REPUBLICANS REMEMBER AND SUPPORT HIS

CALL FOR A RECONCILIATION BILL WITHOUT

EXTRANEIOUS OR REVENUE-LOSING PROVISIONS.
- O LIKE MOST SENATORS, I WAS SORRY TO SEE CERTAIN

PROVISIONS STRIPPED FROM THE RECONCILIATION

BILL -- MY OWN RURAL HEALTH INITIATIVE IS AN

OBVIOUS EXAMPLE -- BUT WE ALL REALIZED THAT

THERE COULD BE NO EXCEPTIONS IF HIS "GOOD

GOVERNMENT" INITIATIVE WAS TO SUCCEED.

NEXT YEAR

- O ACCORDINGLY, I WOULD LIKE TO CALL UPON THE
MAJORITY LEADER TO PROVIDE AN OPPORTUNITY
EARLY NEXT YEAR FOR THE SENATE TO TAKE UP
THESE IMPORTANT MATTERS.
- O IN ADDITION, WE MUST DEAL WITH CHILD CARE, THE
PRESIDENT'S CLEAN AIR INITIATIVE AND CRIME
PACKAGE, BUDGET REFORM, HEALTH CARE REFORM
AND OUR DEFICIT REDUCTION RESPONSIBILITIES
UNDER GRAMM-RUDMAN-HOLLINGS.

CONCLUSION

O IN LOOKING AHEAD TO NEXT YEAR'S BUDGET NEGOTIATIONS WHEN OUR DEFICIT TARGET UNDER THE GRAMM-RUDMAN-HOLLINGS LAW WILL BE \$64 BILLION, I WOULD LIKE TO ASSURE MY COLLEAGUE THAT WHILE WE HAVE NOT ALWAYS AGREED, I HAVE ALWAYS ADMIRER HIS EFFORTS TO ACHIEVE BI-PARTISAN CONSENSUS WHEREVER POSSIBLE. I HOPE THAT THIS CO-OPERATIVE SPIRIT WILL CONTINUE, AND THAT WE CAN PUT ASIDE PARTISAN DIFFERENCES, IN WORKING TO ACHIEVE THAT DIFFICULT GOAL.

Annual Meeting

November 12 - 15

Nov. 13

9:30

Congressional Dialogue between Robert Dole and George Mitchell

Suggested questions for Congressional dialogue:

1. In view of the possible repeal of Catastrophic Health Insurance and Section 89, what lessons do you see for future programs of this nature?
2. What do you foresee as the major agenda items for the Congress next year?
3. Long-term care is an issue of interest to Congress, the American people and to the life insurance industry. Would you care to comment on the prospects for long-term care legislation in this Congress and the role of the private sector as part of a solution?
4. Do you think Congress will consider any new major tax revenue sources, and if so, what?
5. The insurance business is suffering from an image problem in several states, particularly California as a result of Proposition 103. What can we do to improve our image in Washington and the states?
6. What do you expect to happen with the efforts of some to repeal or amend the McCarran-Ferguson Act?
7. In view of the dramatic political changes taking place in Eastern Europe, how should the United States respond?
8. What are your reactions to the recent elections in Virginia, New Jersey and New York? Do you see any trends that could carry over to next year's elections?

RESPONSE TO SUGGESTED QUESTIONS FOR
ACLI CONGRESSIONAL DIALOGUE
NOVEMBER 13, 1989

1. Implications of Section 89 and Catastrophic Illness Repeal.

- O It is premature to speak of catastrophic repeal. We are hopeful that core aspects of the coverage will be retained.
- O Nevertheless, the impact of a small group of elderly under the influence of a serious disinformation campaign is certainly troubling -- particularly since we still do not know what will happen when the larger group of elderly who need this insurance realize what they have lost and the cost of replacing these benefits.
- O Clearly, the Congress will be cautious in enacting self-financed Federal benefits in the future and many potential programs may not be offered because the fairest financing mechanism would be unpopular with some interest group.
- O Section 89 is another example of the impact of a committed interest group -- in this case small business -- in combination with a hastily crafted program.
- O Section 89 was originally enacted to avoid a proposed cap on the total amount of tax-free benefits per individual. Given the magnitude of the annual tax expenditures for health care and other benefits, there is likely to be a growing demand for some return to society as a whole (for example, broader low-income worker coverage) from these programs.

2. Next year's Congressional Agenda.

- O Deficit reduction. The 1991 Gramm-Rudman-Hollings budget target is \$64 billion. Even with several months of real sequester savings under our belts, this will require serious negotiations and a willingness to put the entire Federal budget on the table.
- O Budget reform. In connection with the budget negotiations, there are serious proposals to fix this process by taking social security or other trust funds off budget, by strengthening the President's ability to combat spending through enhanced rescission authority and the line item veto, and by mandating a balanced budget through a Constitutional amendment.
- O Health care initiatives: the uninsured; child health; long-term care; cost control.
- O Taxes: capital gains; extraneous provisions stripped from reconciliation bills; insurance tax reform.
- O Tort and product liability reform.
- O President's crime package.
- O President's clean air initiative.
- O Arms control and relations with the Soviet Union and Eastern Europe.

3. Prospects for long-term care legislation.

- 0 There is genuine concern in Congress and a genuine interest in resolving this issue. However, the potential cost of any effective program must be reckoned with. This is where private sector participation will be essential. Nevertheless, after this year's experience with the catastrophic program, Congress will be very cautious about adopting an expensive program on the assumption that it will be paid for in part by the intended beneficiaries.
- 0 In addition, "long-term care", itself, can mean different things. The Pepper bill, for example only paid for non-institutional (i.e., home) care. So we also need to agree on benefit design that ensures that beneficiaries can choose the benefits that best serve their needs. So I believe we will spend time carefully analyzing the alternatives before acting on this important issue.

4. Possibility of new taxes next year.

- 0 First, the President has made it clear that his pledge of no new taxes continues to apply. Nevertheless, Congressional Democrats have already proposed raising the maximum individual rate to 33%. Senator Dodd has proposed raising excise taxes on alcohol and tobacco to pay for the war on drugs.
- 0 I have even proposed a gasoline tax increase to pay for rebuilding our infrastructure and to repair damage from disasters, such as the California earthquake. While I believe that the Federal government currently subsidizes automobile use through roads, bridges and other hidden costs, such as the pending clean air initiative, even this has been called a new tax.
- 0 Although I believe that income tax rates should not be raised, I do not believe that we can accomplish essential deficit reduction unless we are free to close loopholes, remove unintended benefits and address all sectors of the federal budget.

5. Ways to improve the insurance industry image.

- 0 Every disaster, whether it is an earthquake or a hurricane or a drought, calls upon the insurance industry, generally. Your efforts on behalf of victims who have lost family or property are your best advertisement.
- 0 With respect to Congress, your co-operation with important initiatives such as long-term care legislation, health insurance issues, such as coverage, child health, and cost containment, and even life insurance tax reform, would be greatly appreciated.

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6. McCarran-Ferguson (state regulation) reform prospects.

- O The Judiciary Committee is planning to schedule additional hearings on Senator Metzenbaum's bill to repeal McCarran-Ferguson. Accordingly, this debate will continue next year.
- O However, it is my impression that the initial momentum behind this effort has been lost. Therefore, I doubt that there will be action to repeal McCarran-Ferguson in this Congress.

7. U.S. response to Eastern Europe.

- O Much of the credit for the dramatic changes now occurring in Eastern Europe should go to Ronald Reagan and George Bush. President Reagan was a steadfast supporter of freedom and democracy, and President Bush is carrying out his policies .
- O I believe that the President is striking the appropriate balance between strong support for the democracy movements and cautious recognition of the fragility of the political situation there.

8. Reaction to the elections in Virginia, New Jersey and New York.

- O Obviously, I am disappointed in the results. The Republican candidates were good men. Rudi Giuliani, for one, made a remarkable showing in the heavily Democratic jurisdiction of New York City. I regret the extent to which these campaigns focused on the single issue of abortion and ignored other serious issues; however, I do not believe that this issue will continue to dominate elections in the future.