



April 2010

Agent Licensing Bill Signed into Law; Work on Administrative Rules to Begin

On Feb. 25, the agent licensing bill (House Bill 300) was signed into law by Gov. Strickland. Prior to its passage in the Ohio General Assembly, several amendments were adopted by the Senate Insurance, Commerce and Labor Committee, including an amendment offered by Sen. Keith Faber (R-Celina) to raise maximum amount of protection provided by the Ohio Life and Health Insurance Guaranty Association for annuities from \$100,000 to \$250,000. Sen.

Faber offered the amendment to make the annuity limits consistent with federal banking limits. An amendment to extend Ohio's mini-COBRA program was also adopted.

With the bill now signed, the Ohio Department of Insurance (ODI) will begin drafting administrative rules to define how the items in the bill will work in a practical manner. This includes the increase in CE hours from 20 to 24 per compliance period and the switch to agents being required to proactively renew licenses every two years by the last day of their birth month. Most licensing provisions will take effect January 2011. ODI rules will determine practical matters, like how agents will convert from the old license renewal process to the new system where they must proactively renew on their birthday. Some considerations are whether to switch everybody at once or to stagger implementation to give everyone enough time between one compliance period and another. ODI has already scheduled several meetings over the next few months to discuss this with interested parties. PIA will be heavily involved in these meetings to ensure the rules developed will be in the best interest of agents and the transition to the new license renewal process will be as smooth as possible.

PIA will communicate updates on how exactly the conversion will work and what you need to know. In addition, to ensure you receive all official information from ODI, make sure your biographical information is current with the department. To update your information, visit <https://secured.insurance.ohio.gov/agent/scripts/AgentAddressCheck.asp>. ODI anticipates the administrative rules to be ready by June or July. Look for PIA to distribute fact sheets, post information on our Web site at www.ohiopia.com and host informational meetings.

If you have any questions, please contact PIA's Public Affairs Team at (800) 555-1742 or publicaffairs@ohiopia.com.

Health Care Reform Passes Despite Lack of Bipartisanship and Public Support

On March 21, the U.S. House of Representatives passed the Senate's \$871 billion version of health care reform by a narrow margin of 219-212 with no Republican support and a skeptical public. The bill was signed quickly by President

Obama so that a separate bill containing changes could begin debate. Despite the efforts of Senate Republicans to make changes or stall the

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second measure, it passed.

The first bill that was signed preserves the role of agents by including language that ensures they will be able to sell policies offered through state health insurance exchanges that will be created to help consumers acquire coverage. However, as small business owners, agents ultimately can expect to see higher taxes and little help with the real problem with health care -- rising premiums and costs.

Most provisions of the bills, which have been touted to extend coverage to millions of uninsured Americans, will not take effect until 2014 (including state insurance exchanges). At that time, most Americans will be required to purchase health insurance or pay a fine and insurance companies will be banned from denying coverage to individuals with pre-existing conditions. Medicaid, the government-run program for the poor, will be expanded to help cover insurance costs for low-income Americans and tax credits will be available to offset premium costs for families earning up to \$88,000 per year. By the end of this September, insurers will be required to extend coverage to children on their parents' plans until age 26; will be forbidden from denying coverage for sick children; and will no longer be able to place lifetime dollar limits on policies.



The nonpartisan Congressional Budget Office (CBO) has said the reforms will cut federal budget deficits by an estimated \$138 billion over a decade, despite the major expansions made in government subsidies needed to provide coverage to uninsured Americans.

As a result of the reforms, employers with 50 or more employees who do not provide health coverage will soon pay a fine up to \$2,000 for each employee if the government ends up subsidizing employees' coverage. Tax credits to buy health insurance would be available to businesses with up to 25 workers with average wages of \$40,000 or less.

The reforms will be paid for through new taxes and cuts to existing programs like Medicaid and Medicare. Taxes will increase for insurance companies, pharmaceutical companies and medical device manufacturers. Americans will pay taxes on high-premium insurance plans (Cadillac plans) and couples making more than \$250,000 will face increased Medicare payroll taxes. Individuals who fail to purchase insurance will pay penalties up to 2.5 percent of their income. Common sense savings measures such as medical malpractice reform, which were estimated by the CBO to cut costs by \$54 billion over the next decade, are not included in the reforms.

All 18 members of Ohio's Congressional delegation voted with their party on the bill, with the exception of Rep. Zack Space (D-Dover), the only Ohio Democrat who voted against the bill. Congressman John Bocchieri (D-Alliance), who had voted no on the bill before, changed his position because he believes "...the first version of the health care reform bill didn't do enough to cut costs, and eliminate waste, fraud and abuse within the system. With this new legislation we are moving in the right direction," Bocchieri said.

House Minority Leader John Boehner (R-West Chester), a member of Ohio's Congressional delegation, said "Never before has such a monumental change to our government been carried out without the support of both parties," after President Obama signed the bill. Boehner and other Republican members of Congress from Ohio are urging the state to join a lawsuit with other states challenging the constitutionality of the new law.

PIA will provide more information on the implementation of the health care reforms as it becomes available.

**Oral Arguments Held
in MVR Lawsuit**

Oral arguments were held March 19 in the lawsuit PIA joined against the Ohio Department of Public Safety and Bureau of Motor Vehicles challenging the motor vehicle reports (MVRs) fee increase passed last

year as part of the state's transportation budget. PIA is the only agents' association fighting against this unreasonable increase, which has raised the cost of MVRs from \$2 to \$5. The lawsuit, filed in Franklin County last July, argues the fee increase is unconstitutional because it allocates funds from the fee increase to unrelated state programs and also violates Ohio's public records law to require public records be available at cost. Oral arguments lasted just under 90 minutes and the legal counsel representing PIA and the other plaintiffs believes their arguments were well received by the judge presiding over the case.



A decision in the case is expected by May or June. PIA will keep members updated on the lawsuit's progress.

**PIA National Names
Ohio's Seth Zaremba
Young Insurance
Professional of the
Year**

PIA of Ohio board member **Seth A. Zaremba**, president of Zinc Insurance in Broadview Heights, has been named the 2010 PIA National Young Insurance Professional of the Year. The award, which recognizes outstanding achievement by a young insurance professional, was presented during

a luncheon ceremony March 20 in Arlington, Virginia held in conjunction with PIA National's Federal Legislative Summit.

PIA of Ohio nominated Zaremba for the award because of his dedication and contributions to the association over the years. In addition to serving on PIA's board of directors since 2007, Zaremba served as a member of PIA's Agents Resource Committee (2005-2009), Agency of the Future Task Force (2007-2008), Agency Perpetuation and Staff Development Task Force (2005), and the Market Maker Governance Task Force (2004-2005).



Seth A. Zaremba

"Seth exemplifies the best qualities of a young independent insurance agent," said George Haenszel, CAE, executive vice president of PIA of Ohio. "His commitment to professional development, his community and his clients' best interests make him a great role model for young agents."

Congratulations to Seth on receiving this prestigious award.

**Get Your IMPACT
Contribution in Before
the May Primaries**

This year is a major election year, with many seats up for election, including two on the Ohio Supreme Court. The outcomes of this year's mid-term elections can have a profound impact on the insurance industry. There are many candidates who are facing not only a tough race in November, but also in the upcoming May primary. By supporting IMPACT, PIA's political action committee, you can help provide meaningful support for candidates in competitive primary races who share PIA's

views on critical issues and support the independent agent profession.

Our goal is to raise **\$25,000** this year, and we need your help to reach that goal. To date, more than **\$9,000** has

been raised. To view a list of 2010 contributors, visit www.ohiopia.com.

Your contribution is your influence toward a better business climate in Ohio - and a stronger foundation for you to serve your clients' insurance needs. To contribute to IMPACT, you can mail a personal check to PIA, made payable to IMPACT, or call Carolyn Mangas at (800) 555-1742 to make your contribution over the phone. **Please remember that corporate contributions are prohibited by law.**

IMPACT

Insurance for Your Future!

Register Now for PIA's Internship Program Golf Outing Fundraiser

PIA will be hosting this year's Internship Program Golf Outing Fundraiser June 14, 2010, at Rattlesnake Ridge Golf Club in



Sunbury, Ohio. We hope to build on the success of last year's golf outing fundraiser and raise even more funds to help support PIA's Internship Program and the Foundation for the Advancement of Insurance Professionals.

To download a sponsorship/registration form or learn more about PIA's Internship Program and the Foundation for the Advancement of Insurance Professionals, visit www.ohiopia.com.

Contact Kelly Lause at Kelly@ohiopia.com or (800) 555-1742 for more information about the event.

Fill Out an Awards Nomination Today!

Does someone in your office deserve to be the Outstanding CSR of the Year? The National Alliance is now accepting nominations for the 2010 Outstanding Customer Service Representative of the Year (OCSRY) award. This award honors the CSR who has demonstrated the highest level of personal and professional achievement during the past 12 months. Visit www.ohiopia.com to download a nomination form. **Completed nomination forms are due May 1** and can be faxed to Katie Gratton

at (614) 552-0115 or sent to her via e-mail at Katie@ohiopia.com.

Nominations are also being accepted for PIA awards. This is your chance to honor the standouts in the association – professionals who go above and beyond – professionals who make a direct impact for your agency and/or your peers. Nominate a candidate for one of the following awards: Excellence in Leadership, Industry Person of the Year and Community Service. The award winners will be recognized at this year's Agency Management and Profitability Conference (AMPC), held Sept. 23-24, 2010 at The Columbus, a Renaissance Hotel, in downtown Columbus. Visit www.ohiopia.com to fill out your nomination form now. **Nominations are due June 15.**

Industry & Company	Notes
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Kotchou Joins Celina Insurance Group

Celina Insurance Group recently announced that **Tom Kotchou, CIC**, has joined the company as senior director of marketing and sales. In this position, Kotchou will head the department and oversee all marketing functions across the company's operating territories. Kotchou holds a degree in business administration from Bluffton University, and possesses many years experience in the insurance

industry and leading companies in marketing and expansion.

Upcoming E&O Seminars

Errors and Omissions: Problems for the Future*

Cleveland • April 28 • earn 3 hours CE

Not all policies are created equal; therefore, you must be able to recognize and understand that there are differences between similar policies written through different

companies. This seminar will also discuss real-life case studies as well as solutions you can implement in your agency. Don't be caught off guard with potential E&O gaps and exposures.



Errors and Omissions: From the Courtroom to the Classroom to the Office*

Cincinnati • April 28 • earn 3 hours CE

Failing to understand E&O exposures can cause you to make the same mistakes over and over again until a claim happens. Even if good fortune knocks and you avoid a claim, weak office procedures can keep your agency from being as successful as it could otherwise be. It is important you know and understand the increased expectations of your clients. This seminar will help you make sure the correct coverage is in place.

**You could earn a discount on your E&O policy by attending one of these seminars. For details, call PIA's Insurance Operations Team at (800) 555-1742.*

All 2010 E&O seminars are sponsored by Utica Mutual Insurance Company.

For more information about these seminars or to register, visit www.ohiopia.com or call PIA at (800) 555-1742.



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