

**FAHU Board Meeting
Hyatt Grand Cypress Resort, Lake Buena Vista, FL
December 3, 2010**

Meeting was called to order by President Kimberly Auclair at 8:38 a.m. Introductions were made, and a quorum was established.

In Attendance: Kimberly Auclair, Vicky Major-Bell, Brian Knauer, Steve Israel, Paul Deininger, Mary Liz Schwartz, Michele Liro, Jim Burkett, David Gentry, Jody Augustine, Carter Murray, Beverly Kingsley (Palm Coast proxy), Chuck Athans, Wayne Sakamoto, Kelly Davis

Absent: Julian Lago, Don Marx, Mike Schlossberg, Peggy Gainey, Barbara Rennard, Jennifer Eisler, Marc Linton

Also In Attendance: Dave Sherrill, Bill Hepscher, Robbie Inks

Secretary's Report (Paul Deininger)

Minutes from the 10/8/10 board meeting were distributed electronically prior to this meeting. Motion was made to approve the minutes as presented (Kelly Davis/Jim Burkett). Motion passed.

President's Report (Kimberly Auclair)

- ? All chapters need to be represented on the Membership & Leg calls each month. This is critical information. Minutes should be taken and circulated to all Chapter Presidents.
- ? NAHU produces a quarterly report outlining what NAHU is doing for all members. November 22 report is for the 3rd quarter. This is good bullet information for members.
- ? Carter Murray is moving to Phoenix on December 12, so this is his last FAHU board meeting. Susan Luvisi will take over as Jacksonville President.
- ? Need a nominations committee (to be chaired by Past President Julian Lago) to search for 2011-2012 Board. According to bylaws, the FAHU Secretary must submit these recommendations to the board at the 3/11/2011 board meeting in Tallahassee.

Executive Director's Report (Dave Sherrill)

- ? Region 5 Leadership Conference will be held on January 21 – 22, 2011 in Charleston, SC. This is a great opportunity to seed new leadership.
- ? Capitol Conference will be held on February 14 – 16, 2011. Checking with Chris Harrison to see if NAHU will provide scholarship support for first time attendees. We now have a brand new Congress, so we need as many attendees as possible.
- ? Bylaws report will be forwarded to all, for further review and comment.
- ? Dave needs input on what specs to look for in purchasing a projector. Carter Murray offered to provide support. Brian Knauer has a projector that he will donate to FAHU.
- ? Directors & Officers Liability insurance is paid, and has been billed to the chapters.
- ? Next FAHU Board meeting will be held on Friday, 2/4/11. Location to be announced.
- ? FAHU Board has nominated Wayne Sakamoto for Region 5 Vice President. Rick Bailey from Georgia is also running. FAHU also nominated Don Goldman from California for NAHU Secretary.

Membership Report (Mary Liz Schwartz)

- ? Report was e-mailed in advance of board meeting. FAHU is steadily losing members in nearly every chapter. There were 969 members in October, and only 946 showing as of 12/2/10.
- ? Losing the battle with retention efforts, as we are losing more members than we are bringing in. Broward and Capital chapters are the only ones with a membership increase this year.
- ? Chapters need to jump on the monthly membership calls. Also need to do follow-up phone calls and visits with new and lapsed members.

Retention Report (Robbie Inks)

- ? Still having issues sustaining memberships paid by credit card drafts. Bank draft is always a better option, as there are no expiration dates. NAHU also pays no fees for bank drafts.
- ? We are losing carrier reps as members, due to the bad economy and carrier layoffs.
- ? Palm Coast chapter is doing a good job with call sheet data showing activity. We are losing members because no one is contacting them.
- ? NAHU has had late renewal notices, due to a problem with a third-party vendor. They should let the state chapters know in advance when these issues arise.

Treasurer Report (Steve Israel):

- ? Updated P & L, balance sheet, and check detail reports were distributed.
- ? Total cash available as of 12/1/10 is \$21,293.47.

Media Relations (Steve Israel):

- ? No report.

Legislative Report (Michele Liro)

- ? Having communication issues with Rhett O'Doski. Need better coordination when he is in town delivering PAC checks, as local chapter representatives would like to attend. Also having difficulty with return phone calls to Michele. Lobbyist contract expires on 12/31/10. Perhaps this is an opportunity to better define expectations. Lobbyist steering committee will also get back on track for quarterly reviews.
- ? Monthly Leg calls are held on the third Friday of each month, at 9:00 a.m. It was requested that minutes of these meetings be circulated. Michele will see that minutes are provided to Chapter Presidents and Leg Chairs.
- ? FAHU's main focus is on the new Congress and Capitol Conference. NAHU feels that this is a critical time and needs high attendance.
- ? There will be no Health Care Summit in January. Senate President Haridopolos is pointing legislation for an amendment on the ballot for the repeal & replacement of health care reform.
- ? Locals need to visit their legislators before the start of session. List coming of those whom we need to target. We are sending message of protect the agent role (MLR issue). There are lots of freshman legislators and we need to educate them quickly. Legislative committee assignments are being made now.
- ? State Legislative Conference is 3/28-3/29/11. This may be expanded into a legislative session on that Monday (in lieu of doing a separate Summit) with a FAHU board meeting on Sunday and legislative visits on Tuesday. NAIFA Florida is doing a similar program on/about March 14.

Exchange Report (Kimberly Auclair for Julian Lago):

- ? We feel that 20 – 40 states are needed to file waivers for the MLR provision, in order to delay implementation for two years due to market disruption issues. Florida is in progress, and the OIR is working on this.
- ? Kevin McCarty's and Mary Beth Senkiwicz' positions may be in jeopardy with the transition to Governor-Elect Scott's new cabinet.

FAHU PAF Report (Dave Sherrill for Don Marx)

- ? There were 38 campaigns funded by the PAF, and we succeeded in all races but one. Five incumbent legislators that do not share FAHU's views were unseated.
- ? Report will be circulated by e-mail.

Agent Representative Report (Don Marx)

- ? No report.

HUPAC Report (Bill Hepscher)

- ? HUPAC funded four Florida congressional candidates, and all were successfully elected.
- ? Rep. Sandy Adams will attend the HUPAC fundraiser event at Capitol Conference. She is definitely a friend of FAHU, along with Rep. Dan Webster and Sen. Marco Rubio,
- ? HUPAC funds are now depleted. Keep on contributing.

Education Report (Jim Burkett)

- ? Two new courses are approved. One is on Hybrid Life/Annuity Products with LTC, and the other is on Applying for SSDI. We now have a total of 38 courses in the school.
- ? Filing a course on Working with Clients on Group Insurance. A new HSA course will also be coming. We need to re-file the 4-hour LTC Recertification class.
- ? Still having problems with (1) folks not requesting course ID numbers in a timely fashion, (2) not verifying sign-in sheets for accuracy before sending them to Jim (missing license numbers, illegible names), and (3) try not to do multiple one-hour classes on the same day (input problems). People need to use the same name as appears on their state license.
- ? Remember to submit 50% of the net profit from non-member attendance fees back to the FAHU School.

Symposium Report (Vicky Major-Bell)

- ? 2011 event will be held at the Hyatt Regency Grand Cypress. There will be no parking fees for attendees. Renovations will be completed by New Years.
- ? Sponsorship brochures are out. Challenge each one of us to bring in one new sponsor. Remember the 10% revenue share to the chapters. \$500 sponsorship fee for non-traditional sponsors. Call Dave Gentry, Steve Israel, or Julian Lago for tracking new sponsors. Make sure that the chapter's name appears on the sponsor form. Sponsors that register and pay by January 31 will receive last year's rate (20% savings in all categories).
- ? Talk this up at the chapter meetings. There will be a CD download available (7 minutes long) showing the hotel and amenities.
- ? Program will start with a Wednesday night welcome reception. Keynote speaker on Thursday will be Carol Harnett, and 30 minutes with Insurance Commissioner Kevin McCarty. CEs will be limited to 6 hours. Focusing mainly on new marketing ideas for reformulating the future. Panel session on Friday; requesting that questions be submitted in advance. Awards banquet will follow on Friday night, and Leadership Conference on Saturday. Required CEs (LTC 4-hour and

Senior Suitability) will be on Friday afternoon. Mel Schlesinger will do the NAHU update on Friday morning.

- ? \$139 nightly rate is inclusive of the resort fee. Checking on a President's suite and reception. Speaker bios will be out within two weeks.
- ? \$169 early bird registration fee for members, \$209 for non-members. \$30 fee for Awards dinner. Get chapters to provide registration scholarships for members to attend.

Past Presidents Council Report (Dave Gentry)

- ? Will have a renewed focus in early 2011. Looking for input on information sources for (1) 5500 e-filing, (2) consolidated third-party billing, and (3) internal payroll systems.

Communications Report (Dave Sherrill for Tonya Draughon):

- ? No report. Tonya Draughon is no longer with Renaissance Dental. She will meet soon with Dave to get up to date on new FAHU website and newsletter.

Awards Report (Heidi Bushko):

- ? No report.

Ethics Report (Lacy Boswell Reynolds):

- ? No report.

Old Business

- ? None.

New Business

- (1) Motion that FAHU draft a formal letter to carriers indicating our view on allowing groups to go direct. Carriers have begun sending notices that agent commissions will be broken out on renewals and monthly premium invoices, leading groups to ask if they can go direct and save that amount. (Kelly Davis/Mary Liz Schwartz)

Discussion: Carriers are doing this mid-year, starting in January, 2011 for groups of 50+. Employers have the option to not pay commission, as is broken out on the monthly billing. MLR issue started this response, as commissions are part of the 15% administrative expense. Should FAHU take a position? Agents need to be proactive with their clients and practice full compensation disclosure. There is an Aetna letter out now that states that commissions are now a pass-through item, and that they will include no commissions in their renewal rates as of 2/1/11. Suggest that the agent set up a separate contract with the group, to assure continued payment of commissions on an ongoing basis.

Motion failed.

- (2) Motion to change the wording in the FAHU bylaws as concerns the final association meeting of the year, to "a board meeting prior to the end of the association year". (Dave Gentry/Kelly Davis)

Motion passed.

Motion to adjourn the meeting (Paul Deininger/Kelly Davis). Motion approved. Meeting adjourned at 1:30 p.m.