

## ART COLUMN FOR JULY

By Dick Goff

As we continue our review that we began last month of the first ten years of the ART Gallery from the first column in July 2004, it becomes apparent that about halfway along I took a decided turn toward political commentary. I promise that's not a subconscious leaning toward running for office, but solely prompted by the tide of political events around national health care reform.

For example:

**May 2010** – We made this prediction: “In future years we will look back on the advent of Obamacare as the time the migration of employee benefits toward self-insurance and ART gained momentum.”

*And indeed we have, as in the likes of a runaway freight train that is still gaining huge momentum. It's become such a huge movement that many states are attempting to harness it by legislative actions such as mandating minimum SIR stop-loss coverage attachment points. In fact, some states with enabling captive legislation won't license a captive that plans to write employee group medical stop-loss coverage. Go figure!*

**October 2010** – Included under the headline “Time to Chat Up Your Regulators” was this comment: “Under today's governance in any domiciles the captive industry would not have flourished.” I was making the point that SIIA members would do well to engage with state insurance regulators informally to enhance their understanding and appreciation for ART's distinctive benefits to organizations, their employees and their communities.

*Wow, as simply one example does California come to mind? And let's not limit this to a singular state – how about the NAIC's new proposed captive governance standards that it wants implemented as yet another state accreditation minimum standard.*

**November 2011** – The observation: “There is plenty of pushback among state insurance regulators against the concept of self-insuring smaller organizations' employee health plans.” The vision: “An ART solution for self-insured ERISA plans of as few as 25 people supported by

a fronted group captive stop-loss program. Such plans could operate with a self-insured retention of as little as \$5,000 per individual.”

*And that, I believe, remains prevalent today. After all, it isn't fair to the state exchanges for small employers to have to option to self-insure. Why, it would flat out be unfair competition for state exchanges! And that would be a bad thing if society's objective were protection of a cumbersome government structure rather than providing efficient, high quality health care to its citizens.*

**May 2012** – The column left no doubt as to our position: “The National Association of Insurance Commissioners’ toxic attitude toward captives drifts into many state departments of insurance where staff regulators know their bread is buttered by the commissioner and the commissioner’s bread is buttered by the NAIC.”

*Here's the problem with that brash statement almost two full years ago: it was true then but even more so today! Hello Congressman (fill in your own representative's name), where art thou?*

**February 2013** – We indicted the entire political establishment: “Too many people at all levels of government grovel for their salaries and perks while they lose sight of their mission to serve the public. They become defenders of their ideologies, parties, agencies and personal power within a structure of bureaucratic intransigence.”

*Did I miss anything back then, as I believe the summary surely holds true today? Two prime examples: the IRS and the Federal Insurance Department.*

**December 2013** – In which we railed against the states’ legislative attacks on self-insured health plans through such ploys as tax assessments or raising stop-loss attachment points to unrealistic levels as: “The current trend among state politicians who carelessly damage the interests of their own state’s employers and employees/dependent populations by damning self-insured benefit programs in favor of Obamacare’s health care exchanges.”

*Wouldn't you sometimes just like to reach out to Bureaucratic America and ask this one very simple question: “Hey, does anybody in there truly give a damn about we the people out here?”*

So that completes our review of the first ten years of The ART Gallery. I’d like to predict that the next ten years will observe a trend toward legitimate public service by an

enlightened, practical political elite. But I wouldn't suggest that any readers hold their breath until that happens.

*Readers who wish to comment on this column or write their own article are invited to contact Editor Gretchen Grote at [ggrote@sipconline.net](mailto:ggrote@sipconline.net). Dick Goff is managing member of The Taft Companies LLC, a captive insurance management firm and Bermuda broker at [dick@taftcos.com](mailto:dick@taftcos.com).*