

**People's Alliance PAC 2008 Questionnaire
for Insurance Commissioner Candidates**

PLEASE NOTE: After candidate interviews have taken place, these responses will be placed on the People's Alliance website <http://www.durhampa.org/>

Candidate's Name: WAYNE GOODWIN

1. What are your primary qualifications for regulating the insurance industry in North Carolina?

First of all, unlike anyone else in the race for Insurance Commissioner, I have already been a regulator of the insurance industry for North Carolina: I have served as Assistant Commissioner of Insurance for the State for the last 3 years. In that position I have held hearings, written administrative orders, handled complaints against both insurance companies and agents, and resolved a multitude of matters for consumers in most counties. Working alongside long-time Insurance Commissioner Jim Long – one of the strongest consumer advocates that Tar Heels have ever seen – I have learned firsthand what a regulator is to do.

My other duties as Assistant Insurance Commissioner have been to advise and counsel the Commissioner on legislative, political and administrative matters; draft legislation; consult with technical experts regarding insurance matters; negotiate agreements; manage 40% of the Department myself with approximately 125 of 405 Dept of Insurance employees reporting directly to me; and overseeing the Office of State Fire Marshal, the DOI Eastern Regional Office in New Bern, and the DOI Western Regional Office in Asheville.

Additional primary qualifications include: My eight years of elected service as State Representative, where I regularly worked on insurance-related legislation and stood up for consumers and a competitive insurance market; as well as my 13+ years working as an attorney in private practice representing individuals, working families, and small businesses who had been erroneously denied service or coverage by insurance companies. Furthermore, I also worked for a time as the Assistant General Counsel for the Department of Insurance. (Coincidentally, in that role several years ago I issued a seminal order against a client of one of my opponents.)

In sum, I am the only candidate in this race to have experience as an insurance regulator, and certainly the only one to have qualifications that are tempered by having served in State public office and in private legal practice. Unlike others in this race, I have not and do not work for the insurance industry but have a balanced view that more than anything will always defer to the public interest and the consumer.

2. What is your overall vision for the post of insurance commissioner?

My overall vision is to maintain the balance of the necessary, overlapping dual mission of the Office of Insurance Commissioner: to ensure low, reasonable, fair insurance rates for consumers while at the same time to ensure a competitive, reasonably profitable insurance market in the State.

I am the only candidate in this race who regularly points out that the post includes more than insurance matters. Accordingly:

My vision also includes: expanding the successful Seniors Health Insurance Information Program (SHIIP), which already has 900+ volunteers in addition to our small DOI staff, so that senior citizens are better able to navigate the maze that is known as Medicare Part D and aren't taken advantage of by unscrupulous persons who sell them unnecessary products; promoting greater health insurance accessibility and affordability to Tar Heel citizens; strengthening the Safe Kids program; improving our already-strong relationship with the 44,000 firefighters and rescue personnel whom we regulate through the Office of State Fire Marshal; and fighting insurance fraud and unchecked collection agencies that go over the line by harassing consumers.

Though I am my own person, I am the only candidate in this race who is certain to continue the legacy of Insurance Commissioner Jim Long. (Jim Long has endorsed my campaign.) While other candidates talk about all they want to change within the Department of Insurance, in these uncertain times it is best to promote stability in the Department, the office of Insurance Commissioner, and in the insurance market.

3. The North Carolina Rate Bureau has requested a thirteen percent increase in auto insurance rates, the highest in fourteen years. Do you accept this increase, and if not, what is your strategy to keep rates lower?

First of all, because of my present occupation as Assistant Commissioner of Insurance, I am limited as to what I can say because if Commissioner Long is unable to conduct the auto insurance hearings himself then I would be one of the probable substitute hearing officers.

I can say this: The auto insurance industry previously requested 0% (zero percent) so it does make one wonder how the auto insurance industry could justify such a dramatic increase in such a short period of time and most especially when national reports indicate that auto claims are down.

The Department of Insurance has already rejected this increase request and the Insurance Commissioner has scheduled a full-blown hearing on this one issue. It will then be up to the auto insurance industry to make its case and present substantial relevant evidence as to why it has requested such an increase. If after that presentation and the countervailing presentation by Dept of Insurance staff attorneys on why the rates should NOT go up 13 percent, then the Commissioner (or his substitute hearing officer, such as me) will issue a ruling stating what his findings are.

Without sufficient evidence, I cannot fathom how or why such an increase is acceptable or necessary. As with a court of law, one must require relevant evidence that meets the necessary burden of proof.

As for my strategy to keep rates lower, we must preserve our system where it is an elected Insurance Commissioner who sits as the hearing officer for rate cases and not change the law to make an unelected judge have that role. There were recent attempts by the insurance industry – and just a couple of legislators – to strip the Insurance Commissioner and the Department of Insurance of their collective roles in keeping rates low. Fortunately we successfully fought off those brazen attempts. So, one way to keep rates low is to keep the insurance industry from making the Insurance Commissioner a eunuch.

My strategy also includes promoting more standardization among the insurance industry, greater reliance on technology and “e-ification”, vigorously and regularly updating our statutes in Chapter 58 to reflect the ever-changing technology, and doing those things that promote competition and choice for consumers (including inducements for insurance discounts) so that more North Carolinians have the least affordable insurance but best coverage possible.

4. Should all new construction projects require sprinkler systems? If so, how do you respond to builders’ objections about its cost?

In my opinion and in the opinion of engineers, firefighters, and safety professions, we do NOT need all new construction projects to require sprinkler systems.

Requirement of sprinkler systems should only apply to new residential buildings of a certain square footage – and especially so we include such structures as the high-rise beach condos where we saw the lives of at least six persons snuffed out. To have a 3-story structure that houses 10+ different people rotating every week or two NOT have sprinklers is unacceptable and dangerous, as borne out by that recent tragedy. (Sprinklers are already required for certain commercial establishments.)

As for builders’ objections about cost, our data shows that the cost is not overly burdensome when it is included as part of the mortgage and spread out over 20-30 years as most homes are. Furthermore, the proposed sprinkler requirements will only apply in effect to homes that already cost well over \$1 million dollars – so it is a very weak argument for a homebuilder to say an additional \$10,000 is exorbitant. And, keep in mind that the sprinkler proposals that I have publicly endorsed in my presentations to the Building Code Council only apply to new construction of a certain size, a fact which in and of itself keeps costs down for both the builder and the homebuyer.

It is also important to note two facts: First, the Department of Insurance, the insurance industry, and legislators are working together to encourage insurance discounts for homeowners who install residential sprinklers. Second, for every \$1 spent by a homeowner (or homebuilder) in prevention you save \$5 spent by the homeowner if there is ever a fire or other disaster.

5. What is the best strategy the state can take to reduce hurricane and other natural disaster-related damages? Does this include changes in building codes and coastal setbacks?

One of the best strategies is to fully implement building codes and statutes that require wind-borne debris protections. As I recall, among all the southeastern States we remain at the back of the pack when it comes to adopting the national/international standards for wind-borne debris protection. There is no excuse for that. By not being in compliance with other states on construction it actually puts North Carolinians at a competitive disadvantage from a homeowners insurance perspective, not to mention place our homes at greater risk of damage or destruction.

In sum, I do agree that there need to be amendments or changes to the building codes to address this issue. Some of the changes I have supported during my service on a topical legislative study committees over the last three years.

And note this: I am the ONLY candidate in this race who has been working on this very issue at all. In my role as Assistant Commissioner of Insurance and Assistant State Fire Marshal I have drafted

code language and statutory language regarding reduction of hurricane/natural disaster-related damage, addressed the Building Code Council both in public meetings and one-on-one with its members, and worked with legislators in both parties to address this issue.

6. Will you take part in the state public financing program for the Insurance Commissioner race?

Yes. In fact, I was the first person in the Insurance Commissioner race to file the requisite “Declaration of Intent” form with the State Board of Elections. I did so only two business days after filing for office. Though the other candidates in this race have expressed a “plan to participate” or a “willingness to participate” in the public financing program, neither of them have filed the mandatory Declaration of Intent with the State Board of Elections to make it official (at least as of March 30, 2008). Until those other candidates make such required declaration, they are free and able to solicit and accept special interest money, and are not actually taking part in the program. My campaign, on the other hand, has refused to take special interest money and follows the mandatory guidelines of accepting individual contributions of only between \$10 and \$200.

For the record, as a member of the Board of Directors of the North Carolina Center for Voter Education I was a prominent spokesperson and vocal advocate for public financing in Council of State races beginning many years ago. I drafted legislation on public financing of Council of State races as early as 1997 when I began my service as State Representative in the General Assembly. My op-ed columns on this subject have run in Statewide newspapers.

7. Will you reject any campaign contributions from individuals employed by companies that are regulated by the Insurance Commissioner?

I will reject campaign contributions above \$200 from individuals employed by companies regulated by the Insurance Commissioner. Additionally, I will reject ALL campaign contributions from insurance industry PACs. Please note this important fact: the Department of Insurance regulates not only insurance agents and insurance companies, but also firefighters, rescue/EMS personnel, building inspectors, plumbing inspectors, mechanical inspectors, bail bondsmen, manufactured housing, and life-safety educators (plus has a marginal role regarding homebuilders, contractors, and architects). If one were to make a blanket rejection of even small contributions from all our State’s firefighters (44,000 firefighters in NC) and others, then an Insurance Commissioner candidate would NEVER be able to meet the minimum qualifying threshold for participation in the public financing program. Accordingly, I believe that my position on this issue is the best way to meet the desire of your question while at the same time remaining able to involve a broad group of grassroots voters engaged in the public financing program.

8. Will you oppose any effort by Blue Cross Blue Shield of NC to convert to a for-profit enterprise?

Consistent with my position while a State legislator and based on all information available to me, I will oppose such conversion.