

SIIA Endeavors

On The Record With SIIA President & CEO Mike Ferguson

Self-Insurer Contributing Author David Kirby sat down with SIIA President & CEO Mike Ferguson for a wide-ranging interview to talk about how the association continues to evolve and play an increasingly important role in helping its members be successful in the self-insurance marketplace.



SIIA President & CEO, Mike Ferguson

David Kirby: So let's jump right in. Why do you think it so important for companies involved in the self-insurance marketplace to be SIIA members?

Mike Ferguson: I think SIIA is doing some very important work to promote the expansion of this marketplace, while fending off regulatory threats affecting our members in various ways. Of course, our ability to effectively execute this mission depends on a growing and active membership base.

SIIA members are always the first to learn about important industry developments and we consistently deliver important informational and educational resources through a variety of formats from a monthly magazine, multiple educational conferences and various social media platforms.

I should also point out the networking value of SIIA membership. Our industry is really relationship-driven and most of the major players are highly active in our association. It's really hard to count the number of members who have told me they have been able to build highly

successful businesses thanks in large part due to the connections they have made through their SIIA involvement. Obviously I love hearing these stories and they are great to share with potential members.

DK: How has SIIA responded what has seem to be a growing number of legislative/regulatory threats at the state level?

MF: We concluded a few years ago we that legislative/regulatory threats coming from the state level would likely multiply and we were under-resourced to effectively respond. Our response has included the hiring of an in-house state government relations director and then retaining contract lobbyists in specific states where needed. We currently have four lobbyists on retainer in various states and it is quite possible that we may add additional lobbyists in 2017. And when all else fails, we are not shy about pursuing legal challenges in response to state laws affecting our industry.

DK: Let's pick up on your comment regarding legal challenges, as I believe SIIA is currently engaged in some high stakes litigation. Can you provide some details?

MF: The association had been fighting the state of Michigan in federal court over that state's Health Insurance Claims Assessment Act, which we believe should be preempted by the Employee Retirement Income Security Act (ERISA). Our view is this case has broad ramifications, particularly for

multi-state self-insured employers, so SIIA has taken a leadership position once again in order to protect the self-insurance marketplace. Our case is now on appeal with the U.S. Supreme Court, so we will likely know by early next year on how it may ultimately be resolved.

In addition to this current ERISA preemption challenge where SIIA is the lead plaintiff, the association as also filed an Amicus brief in a separate federal case concerning captive insurance arrangements. Our brief provided the court a more specific understanding of how and why captives are used, which has become increasingly important given heightened IRS scrutiny of these alternative risk transfer strategies. A ruling in this case is also pending.





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DK: You have commented publicly on several occasions about how important it is for SIIA to become more a major player in terms of political contributions. Can you elaborate a bit on why this should be such a priority and any progress that has been made to move in this direction?

MF: I have actually been saying this for the past several years and this objective has continued to move up the list of association priorities. There are two primary reasons for this prioritization, with the one reason being fairly obvious for most members, with second reason less obvious for those who are not creatures of the DC lobbying world.

The obvious reason, of course, is that it is much easier to make and keep friends on Capitol Hill if you provide financial support for their campaigns. This does not mean that if you

contribute to a specific member of Congress that they are certain to vote a specific way, but it's certainly easier to get a meeting with the member and/or their senior staff to explain your issues.

Not so obvious to those outside the beltway is that when an organization establishes itself as a political financial player, it raises your "street cred," so to speak, of with other important organizations in town that may be needed to partner with on various lobbying efforts.

In this regard, I am pleased to report that SIIA is now well positioned with some of the powerful associations in DC, including the U.S. Chamber of Commerce, National Association of Manufacturers, and at least one major union organization.

Our progress has been somewhat slow but steady since we established the Self-Insurance Political Action Committee (SIPAC) about five years ago as a vehicle for SIIA members to channel political contributions to key members of Congress. Things have accelerated this year thanks to this more dedicated focused combined with increased staffing resources and you are now starting to see SIIA really establishing itself as a money player in DC. Obviously we are not the biggest player by any means but its solid

progress that is sure to greatly assist our advocacy efforts.

DK: We've been seeing updates about how successful SIIA has been in securing media placements highlighting the positive aspects of self-insurance and/or captive insurance, how has the association been able to move the needle on this?

MF: I can tell you this has been a very deliberate process, which started last year with SIIA retaining a top-notch publications firm, specializing in media campaigns and issue advocacy to help us tell the self-insurance

story. Since that time we have been working with this firm to craft specific messages that can be pitched to the media. These have included general informational pieces about self-insured health plans, as well as Op-Eds focused on specific legislative and regulatory developments at both the federal and state level that affect our marketplace.

More recently, we have proactively engaged our members to assist us with this media outreach effort by identifying employers who have had positive experience with self-insurance and/or captive insurance to serve as interview sources for potential stories and to identify interesting industry trends.

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This collective work has resulted in media placements in several leading publications including *The Wall Street Journal*, *The New York Post*, *The Pittsburgh Post-Gazette* and *The New Jersey Star Ledger*. SIIA and self-insurance was also featured in multiple radio interviews over the past year. The collective readership reach to date is estimated at 65 million, so our story-telling efforts are having real results.

Going forward, we hope to advance the discussion in the media to highlight how most of the innovation in health care cost containment is coming from the self-insurance word. Separate pitches are also being developed to highlight how captive insurance is solving many critical risk management needs of mid-market companies.

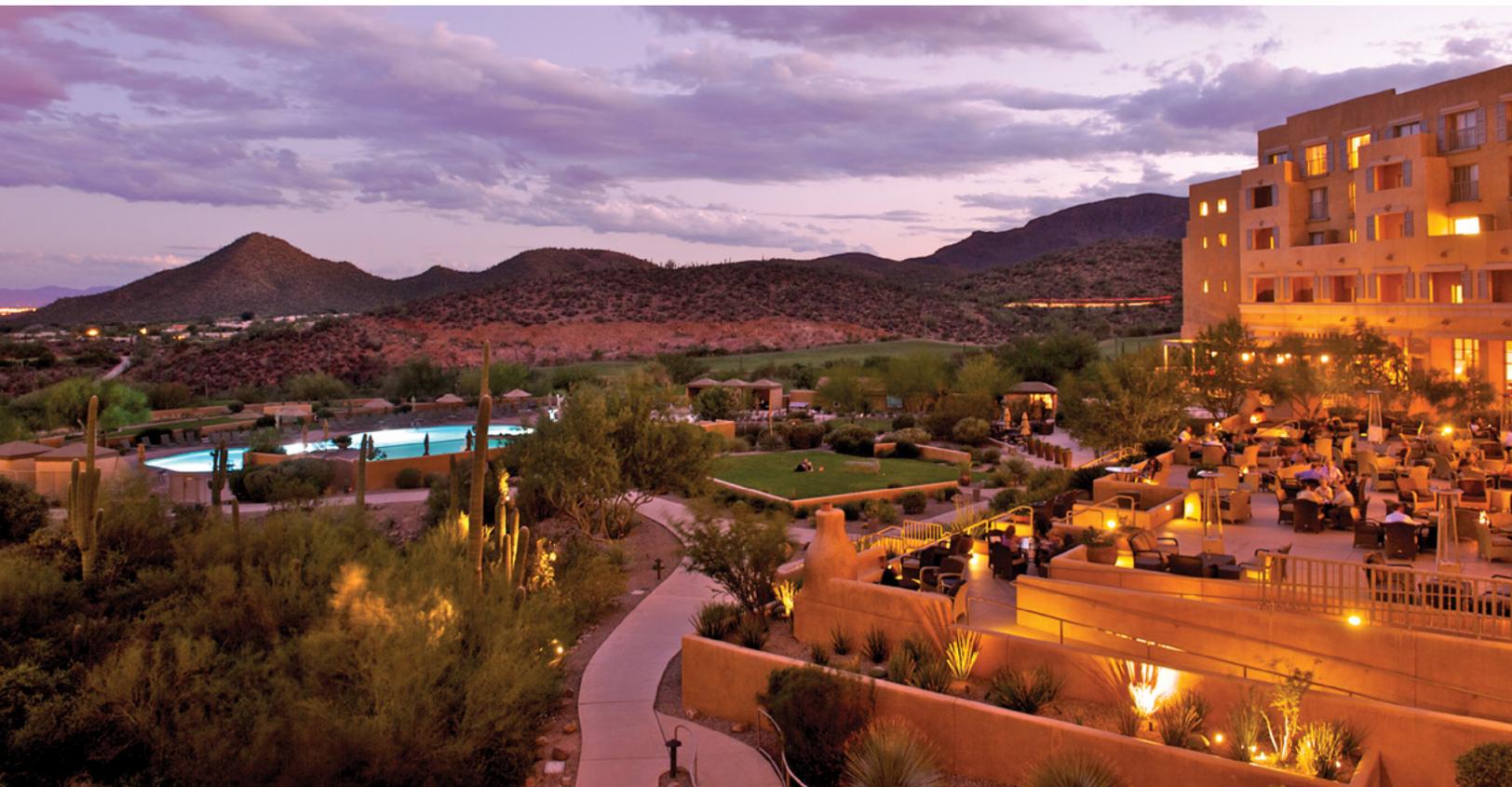
DK: So the association has its big National Conference & Expo coming up soon in Austin, TX. Are there any particular highlights you would like to preview?

MF: We think it's going to be a really great event. The program will feature two keynote speakers, nearly 40 breakout educational session and the industry's largest exhibit hall. In addition, this is a new exciting location for this conference and we are bringing back our party event to help everyone with a last round of networking in a fun environment.

DK: What does the SIIA conference schedule look like for 2017?

MF: It has shaped up nicely with something for all of our members, both in terms of content and location. Our 2017 conference season will start with the Self-Insured Health Plan Executive Forum, scheduled for March 28-30 at the JW Marriott Star Pass Resort in Tucson, AZ. This is a new property for us and we really think our attendees will enjoy being there at that time of the year.

Keeping with a Latin America focus, the International Conference will move to Puerto Rico April 18-19, giving attendee an offshore experience without actually having to leave the United States. The Condado Vanderbilt will serve as the host hotel.



JW Marriott Tucson Star Pass Resort and Spa

The Legislative/Regulatory Conference will be back with an updated format. In addition to a freshened up program, it will be scheduled later in the year – May 2-4 in Washington, DC. We think this timing works well given that this will give the new Congress the opportunity to get to work and to start formulating various legislative agendas.

The big news for the Workers' Compensation Executive Forum is that we have chosen a great new hotel/location for 2017. The event will be held May 16-18 at the beautiful Grove Park Inn in Asheville, NC.

Then to finish up the year, we'll be returning to the J.W. Desert Ridge Resort & Spa in Phoenix on October 8-10 for our National Educational Conference & Expo. This is arguably our members' favorite conference hotel so it should be a great turnout.

DK: I noticed you that Taft-Hartley Executive Forum is not back on the schedule for next year, does that mean that SIIA is backing off its outreach to the Labor world?

MF: Not at all. While it has been determined that the forum should be taken off calendar for next year, we fully intend to continue our outreach to key labor groups to better coordinate on lobbying and litigation matters of interest to both private self-insured employers as well as self-insured Taft-Hartley health plans.

DK: SIIA has a distinct membership constituency comprised of companies involved with self-insured workers' compensation programs. Can you give us an idea of some association initiatives that appeal specifically to these members?

MF: Yes, we have a very active segment of members involved with self-insured worker's compensation programs, including group self-insured funds. In addition to SIIA's Workers' Compensation Executive Forum, some key initiatives is the development of on-line educational content for group fund trustees, addressing expected regulatory staffing turnover in many states, and identifying issues where SIIA's lobbying and media relations team can provide value.

DK: We've seen numerous announcements over the last couple of years of companies upgrading to Diamond or Gold member status, can you talk a little SIIA's approach relative to these membership categories and the factors that have contributed to the apparent growth?

MF: Unlike many other trade organizations that are relatively homogeneous in terms of size and business focus, SIIA is much more heterogeneous. We have smaller members with varying degrees of industry focus to companies with billion dollar balance sheets that focus exclusively on the self-insurance marketplace. Because of this disparity, it does not make sense to have a single membership category so we have created multiple membership categories with different dues rates and benefit packages. This has enabled companies to plug into SIIA at various entry points.

With regard to increase in higher level membership, I think the bigger companies in our industry like what SIIA has been doing and would like to see us to continue to "scale," to put in growth company terms so that we can further promote and protect their business interests.

DK: SIIA has held some high profile International conferences in recent years, most recently in Costa Rica and Panama. What's the strategy behind this?

MF: We recognize that the insurance industry, like make other industries, has become increasingly global in nature and an increasing number of our members have told us they are looking for new business opportunities outside the United States.

In this regard, SIIA believes it can play an important role of helping members identify these opportunities and facilitate the necessary business connections to take advantage of these opportunities. We have decided to focus on Latin America due to the geographic proximity and there is an

uptick in interest in self-insurance and/or captive insurance from multiple countries within this region.

As I mentioned previously, we'll be holding our next International Conference in Puerto Rico, so this will be the next big opportunity to connect and educate, but we'll likely be updating our informational resources in the meantime, so members should watch for this.

DK: How do you view SIIA's role in the captive insurance space and why this membership constituency appears to be growing?

MF: My view is that SIIA is playing a very unique and useful role in the captive insurance space in that the organization is actively integrating industry stakeholders into the much broader self-insurance world. This is important because mid-market employers are becoming increasingly sophisticated in how they manage risk and understand that they can integrate multiple self-insurance strategies, which may include the formation of a captive insurance company. SIIA brings this all together, giving captive insurance professional more educational and networking resources.



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Complimenting this integration strategy, SIIA also provides more specialized services for this growing membership constituency. Most notably, our team of lobbyists has been active in responding to ongoing federal regulatory threats related to enterprise risk captives. For these reasons and others, I think SIIA will further enhance its reputation as key organization for those involved in the captive insurance space.

DK: There certainly sounds like a lot of exciting things going on at SIIA. What advice would give industry executives who want to become more active in the organization?

MF: Well of course, become a member if you are not already. Showing up at association events is a big deal because SIIA is a very interactive and social organization and there is no substitute for being there. We also recruit members to serve on our various volunteer committees and participate in periodic grassroots lobbying campaigns, which are great involvement opportunities. I like to say we are happy to put our members to work, so be on the lookout for announcements. ■

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