

Speech for the Blue Foundation for Health Florida

June 2, 2006

It is with great pleasure that I accepted the opportunity to kick-off the Blue Foundation's 100th Grant Symposium as the keynote speaker. This foundation engenders the philanthropy that not only leads to true innovation and excellence in the health care industry, but creates a better state for all of our citizens. Although I am the Insurance Commissioner for the State of Florida, I have always believed that the real solutions to our society's pressing social problems are not through government, but through community-based and faith-based organizations like those supported by the Blue Foundation. Government does care about the people it serves, but it is the volunteers for the community-based and faith-based programs that have the true passion to help the uninsured and underserved in their local communities.

You don't have to be the Florida Insurance Commissioner to have been affected by the visions of suffering on the nightly TV broadcasts after Hurricane Katrina. This event also brought into stark contrast the disparities in opportunity based on economic circumstances or the color of one's skin. And although pundits and I alike can easily point to the shortcomings of the local, state, and federal government's initial response to the tragedy unfolding in New Orleans and on the Gulf Coast, let us not forget this was a shining moment for community-based and faith-based organizations. These groups "stepped-up-to-the-plate" and came to the rescue providing housing, support, and food & clothing to those in need. In many respects the "first responders" were not government officials, but volunteers like you.

My point is this: While it is the government's responsibility to help those in need, it is the passion of community-based and faith-based groups, like those supported by the Blue Foundation, which were the true heroes during last year's tragedy.

Before I begin the main part of my speech, I would like to showcase many of the accomplishments of the Blue Foundation. After five years, 100 grants, and \$5.5 million in much needed funding, The Blue Foundation's commitment to helping the citizens of Florida would have to be considered an unparalleled success. On behalf of the Office of Insurance Regulation and citizens of Florida, I say congratulations and thank you.

[Wait for applause – hopefully]

Although there are far too many outstanding programs that the Blue Foundation has funded over the past five years, far too many for me to mention, I would like to focus on three particular areas that my staff in Tallahassee have noticed are particularly important to our state:

Helping Children --- Often it is the children that are the most innocent victims of poverty, divorce, or natural disasters like those of Hurricane Katrina. The Blue

Foundation has continually provided grants to organizations that focus on the needs of those least able to help themselves. One such group is the children in our community --- which are ---- not to sound trite --- Florida's future. Some examples include:

1. Donations to the Healthy Start Programs of Jefferson, Madison, and Taylor Counties to help children from indigent families by working to reduce low-birth weights and infant mortality, and work to reduce disparities in prenatal outcomes so kids from all walks of life can begin school on a level playing-field.
2. An \$80,000 grant to UNIDAD/Miami Beach Hispanic Community to provide oral health including dental screenings, and toothbrushes to low-income, uninsured children. We continue to hear about the problems of healthcare access for the poor, and while this is important, we often forget that there are many other basic needs, like dental care.
3. And I should also include a \$99,000 grant to Lee's Place, a community-based nonprofit organization that provides grief and loss therapy to children and families.

Areas not Traditionally Covered by Health Insurance ---- Again, while there many people without health insurance in the state of Florida, even those that have some type of coverage often do not receive all of the services they need. The Blue Foundation provides grants to organizations that are working to fill this gap. Some examples include:

1. A \$50,000 grant to the University of Florida Speech and Health Clinic to provide adult speech therapy.
2. A \$100,000 grant to the Caridad Center of Palm Beach County to be used for diabetes prevention for migrant workers.
3. A \$40,000 grant to the Barnabas Center in Nassau County to provide emergency dental services for the poor.

Community Outreach Programs --- We all know how much the poor depend on free health clinics. But particularly in rural or poor areas, not only do many people do not know about these free services, but they often do not have the transportation to travel to the clinics. The Blue Foundation has given several grants to organizations that provide mobile services by going into the community.

1. A grant to the Achievement & Rehabilitation Center to provide county-wide mental health public awareness and outreach in Broward County.
2. Another grant to the Heart Research Institute in Miami-Dade County to provide blood pressure tests, BMI tests, cholesterol checks and other health related services to the Pan African community, often utilizing local churches.
3. And a \$50,000 grant to another organization close to my heart -- the MOMmobile project administered by the March of Dimes which provides prenatal services for

mothers-to-be. Last year this project provided services to over 2,000 future mothers, many of which were ethnic minorities. I am also proud to announce that this was the 100th grant given by the Blue Foundation.

It is true that part of being a good “corporate citizen” is to donate money to charitable causes like community-based organizations that I have mentioned. But being a “good corporate citizen” goes far beyond just donating money.

What is Corporate Responsibility?

Broadly speaking, corporate responsibility is going beyond the legal requirements, and event ethical requirements, to truly think about the needs of the consumers and employees they serve, and from which they receive benefit. Corporations should be leaders of their communities, because they truly are members of the community.

To me, being a good corporate citizen can be divided into three categories:

Minimizing Harm to Consumers --- there is always a potential to create harm to those that you are trying to help. In many ways it is inevitable:

- An auto maker manufactures a car that it is involved in a traffic fatality.
- An investment company creates a mutual fund that loses money
- A Pharmaceutical company creates a heart drug that has side-effects.

Every company will accidentally harm the very people they intend to serve. Good corporate citizens work vigorously to minimize these damages by properly self-regulating their own activity and the products they create. This includes product testing, creating higher safety standards than legally required, and consumer education about the products. Good companies act proactively to not just fix problems, but to prevent them.

Maximizing Benefits --- Companies have to make a multitude of decisions that affect their shareholders. A good corporate citizen uses the company’s resources in such a way that it not only benefits the company, but benefits the community at large. Some examples include:

- Building a new corporate office in an economically depressed area
- Hiring hard-to-employ groups such as disabled workers or other minorities
- Outsourcing work to other companies in the community, and other good corporate citizens.

All business have to make business decisions that affect the bottom line, but good corporate citizens consider the ramification on their community, and make decisions that maximize benefits for all.

Accountability --- A good corporate citizen goes beyond the legal requirements, and even the ethical requirements, to make good decisions without the need of government regulation, or lawsuits to force a company to change its operation. As a regulator myself, I can assure you that public servants take no pleasure in uncovering fraud that has harmed people, and no pleasure in taking prosecutorial action. Some things that a good corporate citizen does:

- Companies should treat their consumers with respect when they have a complaint, and quickly resolve the disagreement even if it was the consumer's error.
- Use good financial management to keep the company in operation, and build trust future services will be provided. This is especially important in the insurance industry where people make payments for future coverage --- like life insurance, or homeowners insurance, with the expectation that the company will be around when they need service.
- Warning consumers upfront if you find that a product may be harmful, and recalling products found to be defective – even if these products are profitable.

All companies will make mistakes in the way they market their products, or problems with the products themselves. A good corporate citizen acknowledges wrongdoing, takes responsibility, and works to resolve problems promptly and proactively.

The Difference between a Good Corporate Citizen and a Great Corporate Citizen

A lot of what I have mentioned is common sense. In fact, if a corporation does all of these things – it will in fact, help the company's bottom line. If a company recalls defective products they won't be sued, if a company resolves complaints they are more likely to have repeat business, if a company builds in an economically depressed area – they may get tax breaks, good financial management --- allows the executives to keep their jobs. In many ways, it is not difficult to be a good corporate citizen.

But to be a GREAT corporate citizen, a corporation must provide benefits to the community without any prospect of gain, other than community goodwill. In many respects, that is why we are here today. The money donated to the Blue Foundation will never directly add to profitability, or add to the bottom line of any corporation. But to a great corporate citizen --- it is still worth doing.

Bad Corporate Citizens

As the Florida Insurance Commissioner, I have the opportunity daily to work with the industry, and I see a lot of good and even great corporate citizens. But I also see those that while following the law, may not be as scrupulous about being a good corporate citizen as they should be. Being a bad corporate citizen hurts all of us – not just the specific consumers involved. Some examples:

Selling Products that are Inappropriate:

- Agents selling products to increase commissions (Twisting/Churning)
- Lowering premiums by adding exclusions that leave families with not enough coverage
- Failing to tell consumers what is not covered (i.e. Flood Insurance)
- Underpricing products to gain market share, and later having to raise rates

Not Making Decisions that Help Their Community:

- Moving call centers and claims processing to Asia and India to save money
- Not safeguarding consumers personal information

Failing to Treat Consumers with Respect:

- Not resolving consumer complaints against the Company
[Experience with the Consumer Database at DFS.]
- Mismanagement of Funds leading to Company insolvencies
[The effects of the Poe Group and other insolvencies on consumers]

But enough about the “bad” stuff ---- let’s talk about the good stuff.

The March of Dimes

I too have been very involved in a community-based organization that benefits those in need --- the March of Dimes. I just spoke recently to Michelle Robleto, the president of the local March of Dimes Board of Directors. She would like me to thank the Blue Foundation and Blue Cross Blue Shield of Florida for supporting the Walk America, other special events, and the Prematurity Awareness Campaign. It is also a special honor to be the 100th recipient of a Blue Foundation grant. We could not have accomplished our goals without you.

What is the March of Dimes?

So many of you may not know this but, the March of Dimes was founded in 1938, by the president of the United States, Franklin Delano Roosevelt as a national voluntary health organization with the sole purpose of finding a cure for the epidemic disease polio which paralyzed or killed millions of people in the early half the 20th century, including the president himself.

Unlike many organizations that have unachievable lofty goals --- the March of Dimes accomplished its objective when in 1955, in a news conference held at the University of Michigan --- Dr. Jonas Salk and Dr. Albert Sabin announced the success of two polio vaccines involving the largest clinical trial in U.S. history involving 1.8 million children. Now polio is all but extinct in the United States.

Rather than go out of business after accomplishing its objective, in 1958 the March of Dimes charities changed their mission to work to prevent premature birth, eliminate birth defects and eliminate infant mortality. Sadly, these goals may never be fully achieved, but the charities have made significant progress.

Within the Last 50 Years Some of Our Accomplishments Include:

1. The creation of a prenatal test to diagnose sickle cell anemia
2. The development of life-saving surfactant therapy
3. And the campaign to urge women to take B vitamin folic acid to help prevent neural tube birth defects

How Did I Become Involved?

I became involved, through the friendship of my former boss, the Chief Financial Officer Tom Gallagher who has worked with the local March of Dimes chapter for years. The event was the Annual Tallahassee Wine and Food Festival, which was a one-day wine-tasting event for mostly local friends of the March of Dimes, but since then, it has transformed into a three-day community event --- one of the largest March of Dimes fundraising events in the State of Florida.

First Involved in 1997-1998 --- as an event coordinator

Duties, etc.

Primarily a Wine-Tasting Event.

Event Chair – 1999-2004, and Honorary Chair in 2005:

Revenue increased from \$26,000 in the first year I was event chair in 1999 to \$416,000 in 2004.

Added several events so it is now a three-day event:

1. Evening of Fine Dining & Cocktail Reception
 - a. Chez Pierre Executive Chef, Eric Favier partnered with University Center Club Executive Chef, Aaron Cox.
2. Charity Auction
 - a. Rare Auction Packages, including private dinner parties by local chefs, jewelry and luxury trips.
3. Wine Time Golf Game
 - a. From the novice to professional level competing for prizes
4. Wine-Tasting Classes
 - a. Several classes by local wine connoisseurs including:
 - i. “Cooking with Wine”
 - ii. “Basics of Wine Tasting”
 - iii. “Wine Making”
 - iv. “Wine Tasting for the Advanced Connoisseur”
5. Cocktail Lounge and Club Port
 - a. Array of fine desserts and ports.
6. Oxygen Bar (in 2005)
7. Saturday Champagne Brunch
 - a. With celebrity Chef Rosengarten who authored several books.
8. Mélange Market – local retailers
 - a. Opportunity to shop with some of the finest retailers in Tallahassee

I am proud to say that we have taken a very worthy cause, and turned it into a three-day celebration through the kind contributions of members of our community.

Future Challenges

Although the Blue Foundation has accomplished a lot during its first five years of operations, the foundation cannot rest on its laurels. There is plenty of work that remains to be done with the next 100 grants. Some areas of concern that our office have identified include:

The Obesity Epidemic --- Some experts believe obesity will soon replace cigarette smoking as the leading cause of avoidable deaths. I am not sure what the solution will be, but it definitely will need to be administered at the community level.

Health Care for the Immigrant Population --- Recent news reports have reported that as many of 12 million illegal immigrants are currently in the United States, and there may be as many as 3 million children born to these people. These people are afraid to seek free services for fear of deportation. How do we reach them? How do we give them access to health care? And How do we afford it? These overreaching problems will require a solution.

Return of Diseases --- The Center for Disease Control reported an increase in the number of reported incidents of mumps --- a disease one thought to be almost eliminated. The return of diseases once thought gone, requires a reexamination of the effectiveness of vaccines and our child immunization programs.

A Possible Pandemic --- I did not mean to be “Chicken Little” (*joke*), but the recent threat about an avian flu pandemic brought into the public focus how unprepared we may be to handle a highly contagious outbreak like the flu pandemic of 1918. It could happen again, and issues of reaching immigrant populations, access to healthcare, immunizations, and how to administer quarantines could all come into play when we least expect it.

Thank you for allowing me to speak at the 100th grant symposium. I will now answer any questions that you may have about this speech, or insurance questions in general.