



PCI Political **News**wire

★ **SPECIAL EDITION** Election 2008

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Time to engage lawmakers on the challenges ahead

Election-year polls and predictions are behind us. Voters spoke in record numbers yesterday and we now know that Barack Obama is President-Elect. He will take office amid a severe financial crisis—much like Franklin Roosevelt and Ronald Reagan faced after their victories in 1932 and 1980. Obama and other elected officials noted in this newsletter will act quickly and decisively on many issues that will affect the property casualty industry.

We've cast our ballots; now it's time to engage those who have been elected. In this challenging new political, economic and regulatory environment, we must be strong advocates with policymakers, thought leaders and the public on the vital role of our industry and the contributions we make to



the success of the American economy and our communities.

David A. Sampson
PCI President and CEO

Democratic victories will create tougher environment

At the federal level, yesterday's elections produced big victories across the board for the Democratic Party, which will have complete control of the federal government for the first time since 1994. These results will create new and sizable challenges for the insurance industry and for the business community in general.

While President-Elect Barack Obama has not taken specific stands on many property casualty issues, it would appear unlikely that

he will veto actions taken by a Democratic Congress with expanded majorities.

Although the results of some races are still being determined, it is clear that Democrats will have at least 251 seats in the House, up from 236, and at least 56 seats in the Senate, up from 51. In both chambers, this will mean additional committee seats for

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Democrats and fewer seats for Republicans, which will make it more difficult for the GOP to block legislation before it gets to the floor.

More importantly, Democrats are now within range of breaking Senate filibusters, which requires 60 votes. Without the threat of a filibuster or a White House veto, there will be little incentive for Democrats to pursue a moderate course in the next Congress.

As a result, PCI anticipates that it will be far more difficult to stop several possible anti-industry moves in 2009. The first challenge will be a new push by Congressman Gene Taylor (D-Miss.) to add windstorm coverage to the National Flood Insurance Program. Taylor has promised to reintroduce this measure, which was blocked in 2008 in no small part because of the threat of a presidential veto.

Additionally, there will likely be a move to create a federal natural catastrophe backstop, which Obama supports, as well as a new push for federal regulation of insurance and continued efforts to ban the use of credit-based insurance scores.

Drilling down from the broad overview, the results of some key individual Congressional races merit attention.

The industry received positive news with the come-from-behind victory of Rep. Paul Kanjorski (D-Pa.), chairman of the House Financial Services Subcommittee

on Capital Markets, Insurance, and Government Sponsored Enterprises. Kanjorski has been a friend of the industry, and his victory will prevent someone less friendly to insurers from taking the chairmanship. Kanjorski's victory means he will continue to push for his Office of Insurance Information bill in 2009.

The loss by Rep. Tim Mahoney (D-Fla.) means that one of the main sponsors of federal natural catastrophe backstop legislation will not return, though Rep. Ron Klein (D-Fla.), the other lead sponsor, was reelected and will be back in 2009.

In the Senate, the losses by Sen. John Sununu (R-N.H.) and Sen. Elizabeth Dole (R-N.C.) will affect the industry. Sununu's loss means that one of the leading proponents of an optional federal charter (OFC) system will not return in 2009. Dole's departure means that a key Republican member of the Senate Banking Committee will not return. Dole's loss gives the industry one less ally on a key committee on flood and natural catastrophe issues.

In other races affecting key committees, two members of the House Financial Services committee lost: Rep. Chris Shays (R-Conn.) and Rep. Tom Feeney (R-Fla.). Another Republican committee member who was thought to be in trouble, Rep. Michele Bachmann (R-Minn.) held on for a close victory.

Results from the states

Alabama

Alabama held judicial, but no legislative or executive, elections this cycle. PCI made a significant effort to raise money for pro-business judicial candidates in the last cycle, which resulted in a near clean sweep for the business community.

- In the Supreme Court seat being vacated by retiring Judge Harold See, current Court of Criminal Appeals Judge Greg Shaw appears to be headed for a recount with opponent Deborah Bell Paseur. With over 90 percent of the precincts reporting, Shaw, who is supported by the business community, led by less than 10,000 votes. With over \$5 million spent, the race was the most expensive Supreme Court race in the country.

- Presiding Court of Civil Appeals Judge Bill Thompson, also supported by the business community, won his bid for re-election.

Alaska

Alaska's House of Representatives continues in GOP hands, though Democrats appear to have picked up three seats in the Anchorage districts.

- If current leads hold, Republicans will lose their numerical advantage in the state Senate (though the Senate has actually been controlled by a bipartisan coalition the last two years). The key race is a Senate seat in Fairbanks, where the Democrat candidate holds

a narrow, 213-vote lead. If it holds, the Senate will continue to be under bipartisan control, as Republicans and Democrats will be tied at 10 seats apiece.

- The biggest issue for the state senate is determining who will serve as president — a job held by Sen. Lyda Green over the past two years of the bipartisan majority. Green did not seek re-election. Her Senate seat was won by Republican Linda Menard, who easily defeated Democrat Erick Cordero 81-18 percent.

Arizona

While there are a number of early and provisional ballots left to be counted, it appears the Republicans will maintain control of both state chambers. They are likely to have a net gain of two seats in the House and one seat in the Senate. If the current election results hold up, the split in the House is expected to be 35 Republicans and 25 Democrats, with 18 Republicans and 12 Democrats in the Senate. The early and provisional ballots may have an impact on the outcome in one House race and possibly one Senate race.

- Gov. Janet Napolitano (D) is entering the third year of her second and final term in office. She was an early supporter of President-elect Barack Obama. There is considerable speculation that she will be offered a cabinet position in the new Administration such as Attorney General or Secretary of Homeland Security. Because Arizona does not have a Lieutenant Governor, her successor would be the Secretary of State, Republican Jan Brewer. If Gov. Napolitano does not receive or accept a cabinet position, she is expected to run for the U.S. Senate in 2010.
- Insurance Director Christina Urias was reappointed to a six-year term in office by Gov. Napolitano in 2006. She is expected to remain in office regardless of who is governor.
- Proposition 201, the Homeowner's Bill of Rights, was overwhelmingly defeated. PCI contributed to the campaign to defeat this initiative that would have eliminated the mediation and arbitration clauses in construction contracts and lead to more litigation.
- Organizational meetings to elect the leadership teams are expected to take place later this week.

Incumbent Speaker Jim Weiers is being challenged by Rep. Kirk Adams but Speaker Weiers is expected to be re-elected speaker for another two years. Sen. Bob Burns is expected to be elected the next Senate president.

- Committee chairs will be announced later in November. Senate Financial Institutions, Insurance and Retirement Committee Chair Senator Pamela Gorman is considering running for Senate majority whip, which may lead to a new chair for that key committee. Rep. Bill Konopnicki was re-elected to another term in office and is expected to remain as chairman of the House Financial Institutions and Insurance Committee.

Arkansas

There were no statewide offices on the Nov. 4 ballot.

California

Democrats maintained their strong majorities in the California Senate and assembly but failed to make gains that would have given them a two-thirds majority in either chamber. A two-thirds majority vote is needed to override vetoes and pass taxes. In the Senate, the latest vote count shows Democrats increasing their majority from 25-15 to 26-14. In the assembly, the latest vote count shows Democrats increasing their majority from 48-32 to 50-30.

- In the most hotly contested and expensive legislative race Democrat Hannah-Beth Jackson has a lead of a few hundred votes over Republican Tony Strickland for a Southern California Senate seat that was held by Republican Tom McClintock who ran for Congress.
- Voters appear to have approved Proposition 11 which moves the authority for drawing state legislative districts from the Legislature to an independent commission. The proposition is aimed at making general elections for legislative districts more competitive.
- There were no statewide offices on the Nov. 4 ballot.

Colorado

Democrats have retained control of the state House and Senate, but fell short of securing veto-proof majorities in both chambers. The most closely watched race is between Rep. Bernie Beuscher (D) and Linda Bradford (R). Beuscher and Bradford have traded the lead and the race is still too close to call. Beuscher was expected to be the next speaker of the House. Rep. Beuscher and is known as a business-minded moderate. If Beuscher loses his re-election bid, Rep. Anne McGhion is the likely new House speaker. McGhion's speakership will lead to a more liberal chamber than insurers have seen in recent years. Winning a tough re-election was Democrat incumbent Rep. Joe Rice, the likely chair of the House Business Affairs and Labor Committee — a key committee for insurers. Republicans were successful in taking away some of the gains made by Democrats in the House and defending some key seats in the Senate.

- Anti-business initiatives, including one that would eliminate the exclusive remedy in workers compensation, were pulled from the ballot prior to the election.
- Referendum O failed, which would have made it more difficult to get initiatives on the ballot in Colorado.
- PCI Colorado PAC supported 24 pro-business candidates on both sides of the aisle contributing to several key victories.
- Rep. Morgan Carroll, who sponsored the bill to require prior approval of auto rates in 2008, has won a seat in the Colorado Senate.

Connecticut

As expected, Democrats rode Barack Obama's coattails to expand the sizeable majorities they currently enjoy and giving them veto-proof margins in both chambers of the state legislature. While the election will not have an appreciable impact on the consideration of bills affecting PCI members, the retirement of the politically moderate House speaker is expected to create a more difficult legislative environment for insurers.

- In the Senate, it appears that the Democrats added one seat, giving them a 24-12 seat majority. The Republicans did better than expected with all of the GOP incumbents withstanding the Democratic tide

with one exception – a seat they had taken from the Democrats earlier in the year in a special election.

- In the House, it appears that the GOP has dropped below 40 seats as the Democrats picked up five seats to give them an overwhelming 112-39 advantage. However, the margin could have been even worse as the Republicans surprised most observers by defeating three Democrat incumbents.

Delaware

Elections this year in Delaware were anything but routine. The Democratic favorites for governor and insurance commissioner lost in the primary to Jack Markell and Karen Weldin Stewart, respectively. Markell won the governor's race with Matt Denn for Lieutenant Governor. Weldin Stewart was elected insurance commissioner.

Also, with a number of legislators not returning, control of the House flipped to the Democrats who now have a 26-15 edge (Republicans had held a 22-19 advantage). Senator Biden's selection as Obama's running mate also added unexpected fervor to the Democrats in Delaware this year.

- With Commissioner Denn's departure from the Insurance Department, most industry experts expect less controversial legislative initiatives against the insurance industry.
- Further discussions about workers compensation reform is expected in the state.
- Significant discussions concerning coastal insurance coverage, asbestos and affiliate transfers could occur.
- The Senate remains in Democratic hands with an increased majority of 16-5.

District of Columbia

The 13-member District of Columbia Council will now be comprised of 11 Democrats and two Independents. Two at-large and four ward council seats were up for election this year.

- Incumbent Kwame Brown (D) was the top vote-getter in the two-seat at-large ballot, capturing nearly half of all votes cast.

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- Democrat-turned-independent Michael Brown won the second at-large seat with about 20 percent of the ballot. Brown, son of the late U.S. Commerce Secretary Ron Brown, switched his party allegiance to avoid a conflict with the federal Home Rule Act. That law requires that at least two of the 13 Council seats be held by persons who are not nominated by the leading political party, currently the Democrats.
- Incumbents prevailed in all of this year's ward contests. In Ward 4, first-term council member Muriel Bowser (D) ran unopposed, while first-term incumbent Yvette Alexander (D) and former mayor Marion Barry (D) faced only token opposition. Council veteran Jack Evans (D) easily defeated education reformer Christina Erland Culver (R).

Florida

Floridians elected five freshman senators and thirty-five freshman representatives, but no statewide offices. Both chambers remained firmly under Republican command. With several recounts underway, Democrats have only picked up one seat in the House, where the balance is now 76-44. In the Senate, Republicans maintained their 26-14 advantage with three key races.

- Sen. Jeff Atwater (R-North Palm Beach), a generally pro-business bank executive, led the senate's investigation of property insurers earlier this year and aggressively used coastal property insurance issues as a platform for his re-election campaign in District 25. Sen. Atwater won re-election and will be the next Senate President.
- Former Representative Nancy Detert (R-Sarasota), a mortgage broker, won the District 23 Senate seat against corporate attorney Morgan Bentley (D) in this open seat race. Detert capitalized on her high name recognition as a strong voice who doesn't always follow the party line to avoid the strong Democratic winds.
- Sen. Gary Siplin (D-Orlando) won re-election in the face of a strong Republican challenger backed by the trial bar due to Siplin's votes in favor of tort reform.

Georgia

All Georgia state senators and representatives were up for re-election. As expected, there were no changes to Republican control of the House or Senate, or to the majority of leadership positions. House Insurance Chairman Tom Knox (R) did not have a general election opponent, and Senate Insurance Chairman Ralph Hudgens (R) ultimately beat his challenger. House Industrial Relations Chairman Mike Coan (R) did not have a general election challenger.

- House Speaker Glenn Richardson (R) is expected to be challenged for speaker by Rep. David Ralston (R) in the Republican Caucus elections.
- In the Senate, current Majority Leader Tommie Williams (R) is expected to move to the position of President Pro Tem, as Sen. Eric Johnson (R) will be stepping down to run for Lt. Governor in 2010.
- Sen. Chip Rogers (R) is expected to be the new majority leader.

Hawaii

Democrats increased their overwhelming majorities in the Hawaii Senate and House. Democrats gained two seats in the Senate and one seat in the House. Democrats now have a 23-2 majority in the Senate and a 45-6 majority in the House.

- Democratic victories are likely to spur legislation to expand workers compensation benefits.
- Despite the heavy Democratic majorities that have existed over the past several years, the legislature has not passed negative bills on auto insurance, homeowners insurance or civil justice issues.
- Democrats have the required two-thirds majority in each chamber to override a veto by Republican Gov. Linda Lingle.
- There were no statewide offices on the Nov. 4 ballot.

Idaho

Republicans continue to hold solid majorities in both houses of the Legislature, and one key race followed closely by insurers came out well, with State Sen. John Geodde (R) defeating Democrat trial attorney Ken Howard in North Idaho. Goedde – an insurance agent by trade – has been a leader in the Senate on insurance issues including workers' compensation reform.

As expected, Republican Lt. Gov. Jim Risch was handily elected to the U.S. Senate and will replace Sen. Larry Craig. Rep. Bill Sali lost his U.S. House seat to Democrat challenger Walt Minnick.

Illinois

As Sen. Obama's home state, Illinois saw record number voter turnout in 2008. The Obama Factor helped the Democrats to pick up seats in both chambers of the state legislature.

- Democrats retained its supermajority in the Senate (37-22).
- Democrats did not hit the supermajority mark in the House but added to its majority (70-48).
- President of Senate to retire this year and will be officially replaced in January.
- The Senate Minority leader will step down.
- Senator Obama will be replaced by Governor Blagojevich's appointment.
- Rumors abound about Congressman Rahm Emmanuel becoming Obama's Chief of Staff.

Indiana

Republicans and Democrats battled to win two statewide seats and control of the Indiana House of Representatives. As Indiana was a swing state for the presidential race, the Democrats spent a large amount of advertising cash into the state, causing a relatively conservative Republican state to be up for grabs.

- Republican incumbent Mitch Daniels easily beat Democrat challenger Jill Long Thompson.
- The Democrats retain their control of the House of Representatives with a 51-49 majority. Roughly 13 seats were in play this election cycle.

- Republicans maintain their advantage in the state Senate by a 33-17 margin.

Iowa

The Democrats increased their majority in the Senate and maintained their control of the House. The increases in both houses were not as large as expected.

- The Iowa House is now made up of 56 Democrats and 44 Republicans.
- The Iowa Senate is now made up of 31 Democrats and 19 Republicans.
- Issues such as workers compensation and private cause of action may still be on the horizon, but the industry will have a good chance of working through issues with the Republicans and a number of moderate Democrats.

Kansas

There were no statewide offices on the Nov. 4 ballot.

Kentucky

There were very few surprises in Kentucky. House Democrats increased their majority by one member with the wins of Jane King and Kevin Sinnette. In the state Senate, incumbents withstood their challengers, including Sens. Ken Winters, Joey Pendleton, Jack Westwood, Damon Thayer, Tim Shaughnessy, Robert Stivers, Walter Blevins and Perry Clark. The only issues to be resolved concern leadership, and that will be decided in January.

Louisiana

There were no statewide offices on the Nov. 4 ballot.

Maryland

There were no statewide offices on the Nov. 4 ballot.

Maine

Democrats maintain majority status in the state Senate by a margin of 19-15. These results are preliminary as several races remain too close to call and several recounts are possible.

- In the House, Democrats continue to retain their substantial majority.

Massachusetts

No surprises were delivered in the Bay State as voters added to the huge Democratic majorities in both the Massachusetts House and Senate.

- In the only race of passing note, Sen. Dianne Wilkerson (D), having suspended her sticker campaign in the face of federal bribery charges and having been defeated in the Democratic primary, lost again to Sonia Chang-Diaz in the finals.
- Voters overwhelmingly rejected a ballot question eliminating the state's income tax.

Michigan

As expected, the Democrats expanded their majority in the Michigan House of Representatives. The Democrats picked up nine House seats, giving them a 67-43 advantage. Incumbent Republican Supreme Court Chief Justice Cliff Taylor lost to challenger Diana Hathaway with a stunning 11 percent margin with 96 percent of the vote counted. The Michigan Democratic Party, with a coordinated effort by organized labor unions, led an unprecedented, aggressive campaign

- The entire Senate will be up for re-election in 2009.
- Issues on the horizon for insurers will undoubtedly include no-fault and trial bar initiatives such as private cause of action.

Minnesota

Democrats failed to achieve a veto-proof majority in the House, as was anticipated. The chamber is now 87 Democrats and 47 Republicans.

- Autobody shop and glass restrictions and repeal of joint and several liability reform are most likely legislative issues for insurers.

- Last year, PCI spent a significant amount of time developing relationships in both houses in order to facilitate future discussions on issues of controversy in the coming session.

Missouri

Gov. Matt Blunt's decision in January to drop his re-election bid opened the door for State Attorney General Jay Nixon (D) who faced only token opposition in the Democratic primary. Nixon won over challenger Rep. Kenny Hulshof (R), 58 percent to 40 percent, shifting the governor's mansion to the Democrats. Since the Director of the Department of Insurance, Financial Institutions and Professional Regulation is appointed by the governor, change in the leadership and philosophy of the department are inevitable.

- Republicans hold an 89-74 majority in the 163-member House.
- The Senate is firmly in Republican control with a 23-11 majority, but Republicans expect to lose one or two seats.
- For Lt. Governor, Peter Kinder (R) defeated Sam Page (D).
- For Attorney General, Sen. Chris Koster (D) defeated Sen. Mike Gibbons (R).

Mississippi

There were no statewide offices on the Nov. 4 ballot.

Montana

Election returns are being significantly delayed in Montana as a result of absentee ballot problems in the county surrounding Bozeman. Several key races are in this area. Results from other areas of the state will also be tight, therefore, the final outcome of the 2008 may not be known for several more weeks. In 2006, it took weeks and several recounts, to confirm that Republicans held a one seat majority in the House and Democrats had a two seat majority in the Senate. Although the numbers may change, we are likely to see similar slim margins again in 2009.

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- Democrat Monica Lindeen secured a firm victory against Republican Duane Grimes for state auditor, who also acts as the insurance commissioner.
- Gov. Brian Schweitzer (D) easily won re-election against Ron Brown.

Nebraska

The legislature will welcome 16 new members when it convenes in January. Incumbent Democratic Sen. Gail Kopplin was upset by Republican Scott Price.

- Two Lincoln-area races are still too close to call, and depending on the outcome of provisional votes may require a recount. In the officially nonpartisan Unicameral a republican majority will remain.
- Most important for the industry is how committee chairmanships and memberships shake out on January 7. It is expected that Sen. Rich Pahls will remain Chair of the Banking, Commerce and Insurance Committee. The make-up of that committee as well as the Chair and membership of the Business and Labor Committee continue to be unsettled.

Nevada

Democrats gained a majority in the Nevada Senate and achieved a two-thirds majority in the Nevada assembly. In the Senate, Democrats won two seats that had been held by Republicans, giving Democrats a 12-9 majority. In the assembly, Democrats picked up one seat that had been held a Republican, giving Democrats a 28-14 edge.

- Assembly Democrats now have the two-thirds majority needed to override a veto by Republican Gov. Jim Gibbons.
- Democratic control of both Houses will make it difficult to advance civil justice reforms.
- During the past few sessions, several troublesome bills relating to credit scoring, auto insurance discounts and workers compensation have been blocked by the Republican majority in the Senate. Defeat of this legislation will be more difficult with Democrats in control of both Houses.
- Republican Sen. Randolph Townsend will no longer be chair of the Senate Commerce and Labor

Committee as a result of the Republicans' loss of their majority in the Senate. Townsend has been an effective chair of the committee for more than 15 years.

- There were no statewide offices on the Nov. 4 ballot.

New Hampshire

Governor John Lynch was returned to the State House for another two-year term in a landslide.

- Democrats in the state Senate and House have retained their majorities, but with results still coming in the actual size of those majorities, while large, is undetermined.

New Jersey

There were no statewide offices on the Nov. 4 ballot.

New Mexico

The New Mexico legislature remains strongly in Democratic control. Although Democrats enjoyed the victories across the state during the general election, several incumbent moderate Democrats lost their re-election bids during the June primary. As a result, the legislature is expected to be more liberal than past sessions. Another key election for insurers was the Public Regulatory Commissioner in District 1 (Albuquerque), in which incumbent Jason Marks was successful in his re-election race against former Country Commissioner Tim Cummins.

- The election of Barack Obama could impact New Mexico politics if Gov. Bill Richardson is tapped for ambassadorship. Lt. Gov. Diane Denish is perceived as a moderate Democrat.
- The re-election of PRC Commissioner Jason Marks will likely bring forward several key issues for insurers including auto body repairs and uninsured motorists. Credit is also expected to be a hot topic during the 2009 session.

New York

For the first time since 1965, Democrats have taken control of the State Senate. While polls showed the GOP had a chance to maintain their razor-thin one-seat majority, the huge turnout generated in the New York City area by having President-elect Barack Obama at the top of the ticket enabled the Democrats to finally break through and take control.

- Democrats were able to hold a seat in the Buffalo area that appeared in jeopardy. The release of the poll showing the incumbent far behind appears to have given them the wake-up call they needed.
- With the Democrats holding all of their seats, they grabbed control by taking two seats held by Republican incumbents that had been considered toss-ups. Democrats won both races by wide margins as the incumbents were swamped by the high voter turnout in the downstate area.
- With Democrats in control of the executive as well as both houses of the legislature, organized labor and the trial bar will have supporters in every corner of Albany and will press hard for measures that will increase costs for insurers and the business community.

North Carolina

Lt. Governor Bev Perdue (D) won a tight election contest for governor, ensuring that Democrats will stretch their hold on the office in North Carolina to 20 years. Wayne Goodwin (D) also won in the race for insurance commissioner, a promotion from his deputy role under long time Commissioner Jim Long (D). In the State Senate, Democrats continue an even longer tradition of dominance, although their majority has been reduced by one seat to a margin of 30-20. In the House, the Democratic majority is remarkably unchanged although the parties traded some key district; the majority is now 68-52.

One party control will continue in North Carolina under a tradition of progressive, business-friendly Democratic leaders.

- The ailing Beach Plan will be Commissioner Goodwin's biggest challenge, and he will likely repeat the populist note of Jim Long in auto rate negotiations

- It is likely that the Senate Democratic Caucus will continue to be led by industry ally and Majority Leader Tony Rand (D) and President Pro Tempore Marc Basnight (D).
- The more populist House Democratic Caucus will continue to benefit from the business friendly leadership of Majority Leader and Insurance Committee co-Chair Hugh Holliman (D) and Insurance Committee co-Chair Bruce Goforth (D).
- North Carolina's congressional delegation added two new faces. State Sen. Kay Hagan (D) beat Elizabeth Dole (R), and Larry Kissell (D) won in a rematch against long time incumbent Congressman Robin Hayes (R). These developments give North Carolina a congressional delegation split between eight Democrats and five Republicans, and one Democratic and one Republican U.S. Senator.

North Dakota

Republican Gov. John Hoeven easily won his third term and the House remains strongly Republican. Democrats increased their numbers in the Senate; however, Republicans maintain control.

- Incumbent Insurance Commissioner Adam Hamm was in a race that was too close to call.
- One potential insurance legislative proposal to look for in 2009 is a push to privatize the state's workers compensation fund.

Ohio

The Democrats won 52 of the 99 House seats leaving the Republicans in the minority with 47 seats. This is a net gain of 6 seats. Republicans retained control of the Senate (20-13). Both Republican Justices O'Connor and Stratton were re-elected to the Ohio Supreme Court.

- The top caucus post should go to Rep. Armond Budish, an attorney specializing in estate and medicaid law. The Ohio House Republican Campaign Committee has selected Matthew Dolan as minority leader (current Speaker Jon Husted was term limited).

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- As of now, Republican State Sen. Steve Stivers of Columbus has narrowly defeated Franklin County Commissioner Mary Jo Kilroy for the congressional seat currently held by Congresswoman Deb Pryce. This victory is by about 1,000 votes as well.

Oklahoma

Republicans won a majority in the Oklahoma Senate by one or two seats, depending on a recount. Jim Halligan (R) took 58 percent of the vote in his effort to replace term-limited Democratic Sen. Mike Morgan, and Dan Newberry (R) defeated incumbent Sen. Nancy Riley (D) in a tough contest.

- Republican Sen. Jim Reynolds won his re-election by a sixty six vote margin; a recount is expected.
- Republicans gained four seats in the House to enhance an already strong majority in that chamber.

Oregon

Democrats in Oregon dramatically strengthened their hold on the majority in the state House, gaining at least 8 – and possibly 10 – seats on Election Day. In the Senate, Republican Chris Telfer's win over Democrat Maren Lundgren in an open seat narrows the gap slightly, with Democrats now holding an 18-12 majority.

- With Gov. Ted Kulongoski currently serving his second term, Democrats continue to have one-party control of state government in Oregon.
- Good news for insurers came from the voters' decision to reject proposed Ballot Measure 63, an initiative sponsored by Bill Sizemore (who also sponsored a credit scoring ban initiative in Oregon in 2006) to exempt farm and home construction projects valued at up to \$35,000 from state building permit and code requirements. Voters said no to Measure 63, 55-45 percent.

Pennsylvania

With nearly 98 percent of the votes reported, it appears that the state legislature will remain split with the Democrats controlling the House with a 104-99 lead and the Republicans retaining their majority with a 29-20 count. Official results are still pending.

- Democrat Bill DeWeese, who fired nearly a dozen staffers last year in the "Bonusgate" scandal, weathered another storm in his home district, actually losing his home county, but riding on votes from Fayette to win an improbable 16th term. On the other side of the state, another former Speaker, John Perzel, survived a tough challenge despite Barack Obama's massive victory in Philadelphia. Dan Surra, another member of the House Democrat leadership, lost by nearly 1,600 votes.
- Due to the slight increase in Democrats in the House, however, it appears that currently Republican Speaker Dennis O'Brien will be replaced with a Democrat. O'Brien was a compromise choice for speaker even though the Democrats had a controlling number. Possible candidates are Bill DeWeese, Keith McCall or Dwight Evans. Also, former Speaker John Perzel may seek another term.
- On the Senate side, the Democrats lost all of the contested races held by Republicans. With the Republican majority in the Senate, the governor must continue to deal with the Republicans in both chambers and this may change some of his agenda items for next year.
- The state must resolve expected budget deficits. Estimates indicate the state will need \$2.5 billion to cover the deficit. Jobs, the budget and economic development will dominate much of the legislators' time in Harrisburg next year.

Rhode Island

Ocean State voters produced a major surprise by replacing veteran Senate President Joseph Montalbano (D) with Independent Edward O'Neill. Several other state senators and representatives fell to defeat, including long-time industry nemesis Rep. Bruce Long. These defeats will result in some major changes in the Senate, but the Democrats maintained unassailable majorities in both the state House and Senate.

- Voters returned incumbents Sen. Jack Reed and Reps. Patrick Kennedy and James Langevin to Congress.
- Allan Fung of MetLife Auto & Home won his race for Mayor of Cranston in convincing fashion.

South Carolina

Rep. Wallace Scarborough (R-Charleston), current chairman of the House Insurance Committee, had no primary opposition, is in a race that is still too close to call with Democrat Anne Peterson Hutto.

- Rep. Harry Cato (R-Greenville) will be seeking the post of House Majority Leader, and has relinquished his title as chairman of the Labor, Commerce and Industry Committee, resulting in either Rep. Bill Sandifer (R) or Scarborough himself climbing into that important leadership position.

South Dakota

South Dakota's House of Representatives continues to be overwhelmingly in Republican control, despite losing two seats. Republicans still have a 46-22 edge. The Senate is also controlled by Republicans, who now enjoy a 16-14 advantage.

- Constitutional amendment to change the number of legislative days to 40 each year passed (previously it alternated between 40 and 35 days).
- Issues which are expected to dominate the 2009 session include the budget and education. Potential insurance topics include Unfair Claims Practice legislation, as well as plaintiff workers compensation reform measures.

Tennessee

In an unexpected change, the Tennessee House of Representatives will be led by Republicans for the first time since reconstruction. The Republicans have a 50-49 majority. That slight majority, however, means that it is doubtful that Speaker Jimmy Naifeh (D), the longest running speaker in the country, will remain in the role. If the Republican leader, Representative Jason Mumpower, is elected speaker, all leadership positions and committees will be reformulated. The state Senate's balance of power shifted dramatically, guaranteeing Ron Ramsey's reelection as Lieutenant Governor. Ramsey will have 18 other Republicans joining him with 14 Democrats. Committees will remain in Republican control and leadership of those committees is not expected to change much.

- Incumbent Senator Rosalind Kurita (D) who helped secure Republican control last year by voting for

Ron Ramsey (R) as Senate Speaker lost her writer-in election. Kurita won the Democratic Primary this year by 19 votes; however, in a surprising legal tactic, the Democratic Party denounced her as the nominee, thus giving the nomination to her opponent, Tim Barnes. Tim Barnes is the only Democratic challenger to win during this contentious election cycle.

- State Rep. Delores Gresham (R) won the race for the seat of long-standing Democrat Senator, former Lieutenant Governor, and Commerce Committee member John Wilder. Gresham, a state representative who served as the lead sponsor for anti-abortion legislation last year, defeated Randy Camp (D), who had political ties as a former lobbyist, commissioner, and attorney.
- Senator Mike Williams (I), a former Republican who helped secure Democratic leadership prior to the Senate becoming Republican-controlled in 2007, lost his bid to remain in the Senate. A well-funded Republican, Mike Faulk, won the election by less than a .5 percent margin. Faulk is a trial lawyer.

Texas

The three State Supreme Court election contests were hotly contested and fairly close when the votes were tallied. All three incumbent Republicans defended their seats to maintain the complete Republican hold on the court.

- The state House will maintain a Republican majority, but Democrats netted two or three seats depending on the outcome of several races that are still too close to call without a recount.
- The state Senate will remain solidly in Republican control again this year but the loss by Sen. Kim Brimer (R) to Wendy Davis (D) and a runoff in the election to replace Sen. Kyle Janek (R) between Chris Bell and Joan Huffman could enhance the ability of Democrats to block action in the Senate. Prior to the election Republicans held a 21-10 majority in the Senate.

Utah

In Utah, Gov. Jon Huntsman, Jr. has won re-election handily over his Democratic challenger, Bob Springmeyer, winning 77-20 to secure his second term. In the Legislature, Republicans will continue to control both chambers, though Democrats succeeded in picking up 3 seats in the state House if current leads hold. Significantly, State House Speaker Greg Curtis was defeated by Democrat challenger Jay Seeghiller in a rematch between the two, by a 53-43 percent margin. Curtis beat Seeghiller by just 20 votes in 2006.

Vermont

Gov. Jim Douglas (R) defeated former House Speaker Gaye Symington (D) and Anthony Polina (I) by a comfortable margin. Vermonters also maintained the already considerable majorities for Democrats in the state Senate and House.

Virginia

There were no statewide offices on the Nov. 4 ballot.

Washington

In Washington, incumbent Democrat Governor Christine Gregoire has defeated Republican former state Senator Dino Rossi. Though more than 830,000 votes remain to be counted in the state, nearly half are in the Democrat stronghold of King County, where Gregoire was beating Rossi by a 70-30 percent margin. As of this writing, Gregoire holds a comfortable 54-46 percent lead in the rematch of their record-close 2004 election (which Rossi won on Election day but later lost by 129 votes after three recounts).

- Democrats already hold sizeable majorities in both chambers – and appear to have picked one additional seat in the House on Election Day. Republicans did win some new seats in the House (3), but appear to have lost 4 seats to Democrat challengers. The House split appears to be 64-34 in favor of the Democrats.
- In the state Senate, Sen. Don Benton is trailing his Democrat challenger, David Carrier, but there are still an estimated 40,000 votes to count in the district, so Benton may yet win. If so, the Senate

will remain a 32-17 majority for Democrats. Democrats came close but did not achieve enough seats to refer measures to the state's ballot, overturn initiative measures approved by voters and defeat any gubernatorial vetoes without assistance or intervention from House or Senate Republicans.

West Virginia

Concerns about the economy and experience dominated many of the issues in West Virginia, including the selection of president. But most voters continued to express concerns about pro-life issues, support for the coal industry, and veterans' issues. Also, the right to bear arms continues to be a major catalyst on West Virginia local elections. This year, however, voters appeared to cross party lines in order to make selections at both the federal and state level.

- Incumbent Governor Joe Manchin (D) easily won re-election.
- Incumbent Attorney General Darrell McGraw (D) appears to have narrowly won.
- Supreme Court winners were Menis Ketchum (D) and Margaret Workman (D). Ketchum defeated Beth Walker (R), the business favorite.
- The Democrats increased their majority to 26-8 and it appears that the Senate leadership will remain the same.
- Also, the Democrats retained control in the House of Delegates with a 70-30 lead. Republicans, however, picked up 2 new seats. Leadership in the House is also expected to remain the same.

Wisconsin

Wisconsin's Assembly was a Democratic target in 2008 with Republicans enjoying only a slim majority in 2007-2008. Democrats took a full sweep in the Wisconsin legislature and will have the support of the current Democratic Governor on most issues.

- Democrats continue to control the State Senate with an 18-15 margin (adding one seat). The 8th district seat had Rep. Wasserman (D) leading Sen. Darling (R) by 3,500 votes.

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- Republicans' thin five-vote majority (52-47) of last session was shattered with the Democrats gaining control of the Assembly with a four vote majority (51-47-1).
- Change in control could lead to a dynamic change in the type of bills finding passage in 2009 and 2010.

Wyoming

As anticipated, Republicans continue to control the state House and Senate. Democrats made gains in the margins of control in 2006 and they successfully held onto those gains in the 2008 election.

- In 2009, there will be a 40-day session and, as a result of many incumbent victories, it is expected to continue to be relatively conservative on issues that expand government and regulation.
- Key issues are expected to be the use of factors in underwriting including credit and at-fault accidents when no claim was paid.