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**Senate**

**State of Minnesota**

February 9, 2004

VIA HAND DELIVERY

The Honorable Jim Metzen  
Chair, Subcommittee on Ethical Conduct  
Minnesota Senate  
322 State Capitol  
75 Rev. Dr. MLK Jr. Blvd.  
Saint Paul, MN 55155

Dear Senator Metzen:

With this written request, I am asking for an advisory opinion from the Subcommittee on Ethical Conduct of the Senate Rules and Administration Committee. Rule 55.2 of the Rules of the Minnesota Senate allows a member to seek the advice of the Subcommittee as to a possible conflict of interest.

On February 4, 2004, I presented, as chief author, two bills before the Senate Tax Committee. Senate File 15 calls for an increase of Minnesota's current long-term care insurance tax credit from \$100 to \$500. Senate File 1602 proposes to bring Minnesota's income tax treatment of Health Savings Accounts (HSA's) into conformity with the federal tax treatment of these accounts.

Rule 57 of the Rules of the Minnesota Senate provides for a two pronged approach to conflict of interest matters. The first prong goes to whether an action or decision substantially affects a member's financial interest or that of an associated business. The second prong goes to whether the effect on the member is any greater than on others in the same business classification, profession, or occupation. Both prongs must be answered in the affirmative for a conflict of interest to be found.

Outside of the Senate, I am a licensed insurance agent with, and the Vice President of, LeClair Insurance. I am a salaried employee there, and do not derive any of my personal income from commissions, nor do I hold any ownership stake in the company. My father, Ed LeClair, is the sole owner of all shares in the company.

LeClair Insurance acts as a "wholesale brokerage general agency" in the national life/health industry. Thus, we attempt to link (a) insurance companies who underwrite and distribute insurance products via a brokerage (i.e., non-captive) agent system, with (b) agents who need access to those products so that they may in turn sell them to their



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**COMMITTEES:** Commerce and Utilities; Health, Human Services and Corrections Budget Division;  
Health and Family Security Committee

**REPRESENTING:** Central Washington County

LeClair-Metzen Letter  
February 9, 2004  
Page 2

clients. When an agent succeeds in making such a sale of an insurance product, that agent earns the bulk of the commission, but LeClair Insurance, having recruited and trained that agent, will earn a small commission for itself from the insurance company we are representing.

LeClair Insurance and I have recruited and trained agents across the country on behalf of over a dozen insurance companies, who collectively underwrite almost every type of product in the life/health industry, including, but not limited to, traditional major medical insurance, long-term care insurance, medicare supplement insurance, and dental insurance. We maintain offices in both Saint Paul, Minnesota, and San Diego, California, so that we may more effectively recruit and train agents in all parts of the United States.

I would respectfully submit to the Subcommittee that this is a huge, mature marketplace with a multitude of agencies and agents competing against each other to distribute, market, and sell insurance products. I would further submit that any legislative adjustment to consumer incentives and consumer finance options would have only an insubstantial, indirect affect upon those competing agencies and agents. Lastly, I would also submit that neither LeClair Insurance nor I are in any special position to benefit more than the other 6500 agencies and 42,000 agents in Minnesota should the government adjust consumer incentives and consumer finance options.

I look forward to the findings and recommendations of the Subcommittee as to whether carrying these bills or even voting on them, either on a stand-alone basis or as part of a larger omnibus bill, is a conflict of interest for me. I am available to the Subcommittee to provide additional information or testimony on my personal circumstances. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Brian LeClair", with a stylized flourish at the end.

Brian LeClair