

COMMONWEALTH OF VIRGINIA

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P.O. BOX 1197
RICHMOND, VIRGINIA 23218-1197

STATE CORPORATION COMMISSION

November 14, 2014

Amy Marschean, J.D.
Senior Policy Analyst
Virginia Department for Aging and Rehabilitative Services
1610 Forest Avenue, Suite 100
Henrico, Virginia 23229

Dear Ms. Marschean:

Pursuant to §§ 2.2-5510 and 51.5-136 of the Code of Virginia, the State Corporation Commission ("SCC") submits this report of its progress in addressing the impact of the aging of Virginia's population.

Thank you for the opportunity to provide input regarding this matter. If additional information is needed, please contact Ken Schrad, Director of the SCC's Division of Information Resources, at (804) 371-9858 or at Ken.Schrad@scc.virginia.gov.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Judith Williams Jagdmann'.

Judith Williams Jagdmann
Chairman



**Report on the Response of the
Virginia State Corporation Commission to the
Impact of the Aging of Virginia's Population**

November 14, 2014



Executive Summary

The Virginia State Corporation Commission (SCC) is vested with regulatory authority over many business and economic interests in Virginia. Specifically, the SCC oversees utilities, insurance, state-chartered financial institutions, securities, retail franchising and railroads in the Commonwealth. It is also the state's central filing office for corporations, limited partnerships, limited liability companies and Uniform Commercial Code liens. These areas represent the SCC's most public face.

The SCC's authority is not limited to specific demographic groups and provides assistance and services to all Virginians, including those age 60 and older. As a consumer-focused regulatory agency, the SCC's various regulatory divisions respond to inquiries and investigate complaints from Virginians of every age, including the senior population in the Commonwealth.

Although the SCC currently does not track the age (or other demographics) of the consumers it serves, various divisions within the SCC strive to meet the needs of older Virginians through senior-focused website information and print materials, and by participation in senior-focused community events. Specifically, the SCC has recognized the need to target fraud prevention, awareness and outreach efforts to the senior population and addresses such, particularly through its Bureau of Insurance and Division of Securities and Retail Franchising.

Internally, the SCC has been proactive in its efforts to address retirement and its effect on the agency's operations and public services, at least in the next five years. By heavily focusing on training and development, the SCC is taking steps to close the knowledge gap between employees that leave and those that stay and are newly hired. Additionally, the SCC has held several seminars on retirement-related topics for those who are retiring.

The SCC currently does not anticipate that the aging population in Virginia will necessitate major changes in the SCC's consumer-oriented functions. The SCC will continue to evaluate the impact of Virginia's growing senior population, identify needs and develop target initiatives, as necessary.

Agency Description

The SCC acts as one of Virginia's primary regulators in overseeing varied business and economic interests throughout the Commonwealth. The Commission's authority encompasses utilities, insurance, state-chartered financial institutions, securities, retail franchising, and railroads. The SCC also serves as the Commonwealth's central filing office for corporations, limited partnerships, limited liability companies, business trusts, and Uniform Commercial Code (UCC) filings. The SCC's structure is unique in that it is organized as a separate department of government with delegated administrative, legislative, and judicial powers. SCC decisions can only be appealed to the Virginia Supreme Court.

The SCC's regulatory duties are performed by various bureaus, divisions, and offices that are organized into the following groups: Financial Services, Business Entities/UCC, and Public



Utility Regulation. A legal support group assists the Commission with exercising regulatory job duties and an administration group maintains, supports, and runs daily internal operations.

Led by three commissioners who are elected by the General Assembly for staggered, six-year terms, the SCC is driven by its mission and vision to increase its productivity to provide constantly improving and timely public service to Virginians. Its workforce relies upon the expertise of a staff of over 600 employees.

Requested Information

1. If your agency has undertaken any actions to respond to the current and future impact of an aging population, such as needs assessments, strategic planning, or use of best practices, please briefly describe those actions. Please indicate what assistance from DARS could help your agency as it prepares to serve an aging Virginia population.

As regulators of the insurance industry in Virginia, the SCC has focused for many years on the aging population and their needs as insurance consumers. It recognizes that an aging population has a significant impact on virtually every insurance product written because the risk profiles for the older population are unique. While there are insurance products that target seniors, (i.e. long-term care insurance, Medicare supplement insurance, certain types of life insurance products), there are other less apparent, but equally important risk factors and lifestyle changes that impact auto, homeowners, renters and income protection products.

The Bureau of Insurance is adequately staffed to address those changes, both through ongoing continuing education efforts and through its involvement in a variety of organizations and associations through which the Bureau shares its knowledge and expertise. The Bureau also focuses a great deal of time and effort in producing outreach materials for seniors and attending events that target senior citizens to assist them with their insurance questions.

The Bureau's efforts are mirrored in the Division of Securities and Retail Franchising. That Division captures and responds to consumer inquiries and complaints. It focuses on getting individual facts and providing the most suitable assistance. Securities has a dedicated Investor Education Coordinator who is responsible for educating Virginians about investment related issues such as how to avoid investment fraud.

In that role, the Investor Education Coordinator attends senior-focused events and expos. In addition, the Investor Education Coordinator has served as president of the State SALT (Seniors and Law Enforcement Together) Council for several years and continues to be an active participant by providing support to the current board to expand efforts on increasing fraud awareness among seniors.

2. Briefly describe your agency's services that are used primarily by older Virginians and the funding streams (types and amounts) that support those services. If these particular services or funding streams are provided in conjunction with other state or local agencies or other for profit or non-profit organizations, please list them.



The SCC's services are available to all Virginians and are not targeted to specific demographics. However, much of the Bureau of Insurance's outreach work is directed toward older Virginians. The Bureau's outreach staff and services are supported by SCC funds. A number of outreach events and materials are coordinated with the Department of Aging and the Virginia Insurance Counseling and Assistance Program (VICAP).

In the Securities Division, auditors and investigators travel to the National White Collar Crime Center for senior-specific training where they learn how to best communicate with senior-related issues.

3. Identify current agency programs specifically designed to serve older Virginians that fall into any of the following eight categories:

- *Health Care/Wellness*
- *Education*
- *Public Safety (including Adult Abuse Prevention)*
- *Recreation*
- *Housing*
- *Accessibility (including Livable Communities <http://www.vadrs.org/vblc/>)*
- *Financial Security*
- *Transportation*

As noted above, the SCC's Bureau of Insurance and Division of Securities and Retail Franchising serve the senior population through their regular processes available to all Virginians, the development of senior-focused materials, and participation in senior-focused events.

In terms of public safety, the Division of Communications is responsible for regulating some aspects of landline telephone services in Virginia. The Division has seen a decline in the number of Virginia households that are giving up the use of landline telephone services in exchange for wireless services exclusively. Demographics play an important role in this phenomenon. It is a public safety issue to the extent that consumers may not be able to access 911 emergency services if their telephone service is not working.

Older consumers (those over 65 years of age) are choosing to continue use of landline phones versus the younger population (ages 25 to 29) who account for almost two-thirds of households nationwide that exclusively use wireless services. What this means for the Commonwealth is that over time, the base of consumers who are more likely to file complaints with the Communications division is likely to decline. This poses no negative impact on the Division of Communications or those using its services. And, the Division should still be able to provide the same level of service for older Virginians going forward as it does today.

The Division of Communications has no jurisdiction over wireless services, but handles complaints from customers of wireless companies on a voluntary basis based on an informal arrangement with those companies.



4. Is your agency able to meet all of the service demands of older Virginians for the services listed above? If there are any instances where the demand for services exceeds your agency's ability to meet the demand, please indicate the service and the extent of the unmet demand. Also, if your agency maintains waiting lists for services, please provide this information, including the waiting list numbers for each service.

At this time, the SCC believes it is meeting the service demands of all Virginians, including the older population.

5. Provide the number of persons, by gender if available, who received services from the agency in each of the past five state fiscal years (FY 2010 through FY2014) who fell into the following age ranges: 60-64; 65-74; 75-84; and 85 and older. If your agency lacks specific information about the numbers of older Virginians it serves but has other evidence indicating that it is serving more or fewer older Virginians than it has in the past, please describe the basis for that estimation.

The SCC does not collect or maintain information on customer demographics, including age or gender.

6. Referring to the services or funding you described in item two, describe any services or funding provided to older Virginians for which the accessibility or availability varies considerably in different parts of the Commonwealth.

There appears to be reasonable accessibility and availability of programs for seniors throughout the state. In the case of insurance-related programs, senior-related events are more frequent in the more populated areas of the state, but a number of events are held in the more rural areas as well.

In the case of disasters, SCC staff from the appropriate divisions will go where needed throughout the Commonwealth to assist consumers with questions and concerns.

7. Over the next five to 10 years, in what ways do you anticipate that an aging population will impact your agency's services, funding streams, or policies? Consider the impact from an increase in the number of older Virginians and whether the needs of older Virginians will differ from those of today's older adults. Please include any anticipated impacts upon the cost of services, changes in type of services or the manner of service delivery, or modifications to agency policies, staffing needs, or procedures.

At this time, the SCC generally does not anticipate major changes to the needs of older adults, or the way the SCC meets those needs through its regulatory activities and oversight, over the next five to ten years. The SCC will continue to address the aging population through its materials and outreach efforts, particularly in the insurance and securities areas. Additionally, the Division of Securities and Retail Franchising believes that as the population ages, there may be a corresponding increase in requests for assistance by seniors.



From the standpoint of business operations, based on the assumption that older Virginians who operate businesses will close their enterprises and terminate their business entities, the Office of the Clerk foresees the amount of annual registration fee revenue it collects may decrease. The possible loss of revenue, however, should be more than offset by a net increase in the number of active business entities of record year-over-year.

8. Please describe the primary steps that should be taken at the federal, state, or local levels to meet the future demands of older Virginians and to make services delivery more effective and efficient.

The SCC has no position on this matter; however, government agencies may want to exercise caution not to outpace the senior population in terms of technology. In the SCC's experience, many members of the current senior population are not accustomed to online services and prefer traditional methods of communication, be it postal mail, paper forms or interaction with a live person.

9. Identify the extent to which your agency provides "customer-oriented" publications and websites that are designed to be "senior-friendly." If the information you currently provide is not readily accessible to older Virginians, please identify any steps your agency is taking to improve their access to this information.

Within the SCC's website, the Bureau of Insurance has an information section devoted to older Virginians on its website, aptly titled *Especially for Seniors*. Upfront, the various ways to contact the Bureau are provided at the top of webpage. The section includes links to consumer guides, information about Medicare, Medigap, long-term care insurance and more. Also included are senior web links to other Virginia agencies and government organizations or programs that target the older population in Virginia.

Materials produced by the Bureau that are strictly for older Virginians are generally made available in print format (in addition to being placed on the website), with slightly larger font.

Additionally, the Bureau of Financial Institutions provides a number of financial links on its webpage regarding financial literacy and scams for which the public should be alert.

10. Describe any other services or programs that your agency plans to implement in the future to address the impact of the aging of Virginia's population.

While no additional services or programs are currently under development, the Commission and its regulatory divisions remain vigilant to identify any increased number of inquiries or complaints from seniors or other factors evidencing an increased need for services. When needs are identified an appropriate initiative will be developed.



11. Please indicate if your agency is experiencing an increase in employees retiring later and describe any actions your agency is taking or plans to take to accommodate its aging workforce with innovative practices.

In terms of the SCC's actions to address retirement and other attrition, the SCC is heavily focused on training and development to ensure the transfer of knowledge between employees that leave, and those that stay and are newly hired. Within the last two years, the SCC has instituted a leadership training program, as well as a performance management and development program.

Specifically, many SCC employees are eligible for retirement, but for various reasons such as job satisfaction and financial situations, they continue to work past their eligible retirement age. To assist those who are retiring, the SCC has developed a retirement checklist and has held several seminars on retirement, social security, long-term care, and other related topics.