

The Division is proposing a staggered renewal system, so that they will not have 12,000 license coming due July 1.

He stated that the rest of the measure was housekeeping with the exception of a change in the requirement for license of brokers from 2 years to 4 years experience, still making it possible for one to obtain a license in 2 years with the aid of education and experience. The Real Estate Div. administers the real estate license law, the sub division control act, an extensive education program which requires one fourth of the license fees, escrow companies which are not under Insurance and Banking, collection agencies and debt consolidation agencies.

Senator Lent, asked how the Sub-Division Control Act was getting along. Commissioner Black answered that it was working out well except that the receipts from the act do not carry the burden. They assigned a good man to it because of a tremendous up-swing in sub-divisions.

060 James R. Faulstich, Insurance Commissioner, stated that the only major bill that his dept. was interested in is a revision of the rate regulation law to allow for more competition among the companies in determining price. The proposed bill is being gone over and will be ready shortly. Commissioner Faulstich stated they have a house-keeping measure which relatively small, and that they have been studying the problem of premium financing and a bill is being prepared.

Commissioner Faulstich gave a brief description of the operation of his Dept. during the last biennium. The dept. has been reorganized into five sections; a Company Section, which is responsible for the solvency for the 820 companies that are permitted to do business here in the state, a Rates and Forms Section which receives over 1,000 new forms a month and 150 to 200 new rate filings a month, an Investigation Section, which has been streamlined this past two years so that now most of thier work is in the field, an Agents Qualification Section, which is responsible for the competency of the new agents entering into the business. They have over 12,000 licensed agents in the state of Oregon and these agents among them have around 50,000 associations with the various companies, and a Public Service Section, they have received complaints from one out every 200 famlies of the insurance buying public this past year. They have put complaints on punch cards so that monthly, biannually and annually they have a report both by nature of complaint and also company complained against and thus deal more effectively with the source of problems.

114 J.F.M. Slade, Superintendent of Banking, stated that in addition to supervising banks, mutual savings and trust companies, he administers the laws governing state-chartered credit unions, consumer finance companies, industrial loan companies, pawn brokers and the Sale of Checks Act. Mr. Slade would like to have five bills introduced. The first would modify the requirement for use and display by banks of branch office designations. The second bill would alter the method of computing fees for furnishing certified copies of papers filed the banking Div. The third would be to

SENATE FINANCIAL AFFAIRS COMMITTEE

March 19, 1969

8 a.m.

319 State Capitol

Members present: Bateson, Chairman; Schedeen, Vice Chairman; Elfstrom; Ireland.

Excused: Hallock.

Witnesses: James R. Faulstich, Commissioner of Insurance, Commerce Department.  
John D. Davis, Oregon Association of Insurance Agents.  
Pete Brooks, Oregon Auto Insurance Company.  
John Savage, Vice President of United Pacific Insurance Companies.  
Clark Booth, Vice President of Oregon Mutual Insurance Company of McMinnville.

Senate Bills 318, 320, 321, 322 and 365.

Senator Bateson, chairman called the meeting to order.

0047

Commissioner James R. Faulstich presented SB 318 to the committee. This bill increases the minimum capitalization requirement from \$300,000. to \$500,000. for companies doing health insurance business in the state. This is in conformity with the requirement for the other types of insurance companies. The Insurance Code contains a grandfather clause for the existing domestic companies. Commissioner Faulstich feels that even if an insurance company is writing multiple coverages, the \$500,000 is sufficient. The conflict between SB 431 and this Bill SB 318 were found to be technical.

0073

Commissioner Faulstich presented SB 320 to the committee. This bill places the Wet Marine and Transportation insurance tax and retaliatory tax on the same basis as the other insurance taxes that the Insurance Division collects, in that instead of allowing the insurance companies to await their billing, they would require the companies to fill out the tax forms and send them to the Division. The second function of this bill is to lengthen the time in which the Division may collect retaliatory taxes which it levies on out-of-state insurance companies. Under present law there is a time limit of 90 days in which to determine the amount of tax and bill the companies for it, which the Commissioner feels is an unreasonably short period of time. Commissioner Faulstich stated that passage of this bill would save time for his department.

Senator Bateson asked why there was a difference between Wet Marine and the other types of companies on the self assessment. Mr. Faulstich said it was an historical accident.

0115

Commissioner Faulstich presented SB 321 to the committee. This bill changes the time period in which a health insurer can contest payment on a health insurance policy from 3 to 2 years. Two years is the general practice of most insurance companies but there remain a few who retain the 3 year period.

This clause is applied most often in the case of pre-existing conditions. Within 3 years all policies in Oregon would have this new 2 year limit, if this bill is passed, since the previously allowed 3 year period would have run in relation to any policy holder purchasing a policy with a 3 year contestability clause prior to the effective date of their Act.

0147

Commissioner Faulstich presented SB 365 and stated that the conflict with SB 322 is that both bills repeal the same section, and the conflict with HB 1349 is technical.

The first 5 sections of SB 365 pertain to reciprocal enforcement of judgments, so that a judgment obtained against an unauthorized insurer in the State of Oregon can be enforced in our sister states and conversely. This is the only way to legally regulate unauthorized mail order insurance companies in the state. Many states have enacted this legislation.

Section 7 amends that portion of the law dealing with mergers and acquisitions of domestic insurers. This would give the Commission the authority to review such acquisitions, even though the domestic insurer is being acquired by a non-insurer. This would require that a plan of acquisition be filed with the Commission and gives the authority to examine management and proposed management by the non-insurance company etc.

Senator Bateson asked if under this provision, he could stop the merger if he found it to be inequitable or unfair. Mr. Faulstich said he definitely could.

Section 8 deals with the same provision of the law. The Commission has found that domestic insurance companies may be controlled by owning a lot less than 50% of the stock and therefore, they want their jurisdiction to take effect when acquisition reaches 25%, instead of 50%. Any person who owns more than 10% of the stock of a domestic insurer has to be listed on the annual statement and therefore if person or persons obtaining more stock failed to notify the commission of the sale, it could be detected on the statement. The S.E.C. regulations use 25% in similar context. Their main concern is other companies coming to Oregon and switching bad assets for the good assets of our companies, or raiding their cash reserves.

Section 9 authorizes the domestic insurers to invest in loans guaranteed by the State Scholarship Commission.

Section 10 of the bill authorizes the domestic insurers to acquire blanket fire insurance coverage on their mortgage property that they hold or investment, instead of requiring each borrower to file with the insurance company his own fire insurance policy. This system is being used currently with great success by the Veterans Department. They want to make sure that the company using the blanket coverage has a non-cancellation clause in their policy.

0249

Senator Bateson stated that this could be a desirable change in some of the other statutes governing investments.

Section 12 is a clarifying section in regard to ORS 731.442. The language in this section was put in to make sure that one particular company that issues credit life insurance policies on the mutual assessment plan would be subject to the rate regulation for credit life insurance, for all time.

The rates for credit life insurance have been reduced from 75¢ per hundred, per year to 60¢ per hundred, for all credit life written in the state.

Section 13 extends the jurisdiction of the commission with respect to credit life and health insurance to contracts of not more than 10 years instead of 5 years duration. The reason is the tremendous increase in the sale of trailer homes which are financed for a period of over 5 years and as such under present law are exempt from their regulation as to rates, etc.

0308 Section 14 remedies a difficult situation that they have found themselves in the last 2 years. Existing law requires the fingerprints of the husband of an applicant for agent's license if the applicant is a married woman. This section would give the commissioner the authority to waive the requirement in cases such as the woman's husband being in Viet Nam, making obtaining his fingerprints impossible.

Section 15 amends the general section on revoking licenses of persons other than insurance companies, such as agents and surplus line agents. This section amends the law to include these same grounds for revoking an adjuster's license. There are no sections under present law which deal effectively with adjusters.

Section 16 is a clarifying section of an existing section that prohibits re-insurance as an inducement to the purchaser of property.

Section 17 adds a statement, that, in the event of the failure of an authorized insurer anyone who solicited this insurance in the state could be liable for the loss.

0355 Senator Elfstrom questioned the term "anyone" and its intent. After discussion it was decided that Commissioner Faulstich should prepare some clarifying language for this part of the bill.

Section 18 corrects cross references of the code and in Section B they add references to the acquisition and merger section of the code so that the Division can provide the same protection to the health care service contractors as they do to their domestic insurance companies.

Section 19 and 20 are technical sections.

Section 21 is a repealer section.

0399 Commissioner Faulstich presented SB 322 to the committee. This bill affects rate regulation as it applies to fire and casualty insurance rates. A committee was appointed last spring to study and review the existing law on this subject and see what improvements could be made to make the law more responsive to current conditions. Chairman of this committee was Mr. John Davis, President of the Oregon Independent Agents Association. Other members of the committee were Clark Booth, Vice President of Oregon Mutual Insurance Company, William Breeden, Charles W. Sexton Company, Frank Drew, Evans Products, John Savage, Vice President of United Pacific Insurance Company, Waldemar Seten, Vice President of Portland General Electric Company, Ellsworth Simpson, resident Vice President of St. Paul Insurance Company, Paul Ulrich, underwriting superintendent of State Farm, and Louis B. Wilson, President of Oregon Auto Insurance Company.

This bill represents their unanimous opinion as a desirable course of action for the State of Oregon in the area of rate regulation. The Insurance Commission has done a good deal of research in this area and they feel this bill is necessary to preserve their regulation in many areas. This bill differs from the California Rating Law; 1 This law requires that companies file their rates in Commission office before they use them. 2 The commission is retaining their prior approval of all policy forms, this is important to keep control over what policy forms are used in connection with those rates. 3 The bill provides a procedure for on sight examination and inspections of rates that are actually being used not rates that are merely proposed to be used.

Commissioner Faulstich distributed amendments which he said would not make substantial changes in the bill but were more to improve form and style.

Commissioner Faulstich stated that since competition was the true rate regulator, their job should focus on preserving and maintaining competition. The bill provides that in the event competition ceases to exist in an area or with respect to any class of insurance, the Commissioner can require the company to file all rates with him and that they may not use them until the commission has approved them. One area of concern to Commissioner Faulstich right now is the 20 teen age driver classification. The Assigned Risk Plan was discussed.

One of the important provisions of this bill is the one that allows the Commission to make the on sight examinations of companies to see how they are actually using the rates, if they are using them in a discriminatory manner, or if they are using them with respect to all the insured in a class, or if they are using them selectively. This provision would enable the commission to conduct such examinations at the expense of the insurance company. Section 12 of this bill creates a revolving fund. The reason for this is that there is that there is no way of knowing, at this time, what their needs will be with respect to the number of inspectors it will take to do the work of on sight inspections.

Mr. John Davis testified in favor of SB 322. He stated that the committee spent a lot of hours working on the bill and that the group was about as independent a group as you could ever hope to get together. This bill has the support of the whole industry. At the last meeting of the board of directors of Oregon Association of Insurance Agents, the board unanimously endorsed the bill. There is a market problem in the insurance business in the State and this bill gives some hope of an improvement in the market situation.

In answer to a question, Mr. Faulstich stated that "File and Use" applies only to fire and casualty insurance.

Mr. Pete Brooks of Oregon Auto Insurance Company told the committee he acted on the advisory committee and was in full agreement with the bill.

Mr. John Savage, Vice President of United Pacific Insurance Companies. Mr. Savage concurred with favorable testimony on the bill by those preceding him and supports the bill without reservation.

Mr. Clark Booth, Vice President of Oregon Mutual Insurance Company of McMinnville, Oregon, stated his support for the bill.

Senator Bateson thanked Mr. Davis, and the members of his committee for the hard work and time they devoted to their committee work on this bill.

Monday, March 26, the meeting will start at 9 a.m.

The meeting adjourn at 10 a.m.

Respectfully submitted,

*Rosella Nielson*

Rosella Nielson, Clerk

1000      SB 320 concerning tax collection procedures of the Insurance Division was discussed.

Senator Elfstrom moved to send SB 320 to the floor with a do pass recommendation. Roll call: Aye (4) Schedeen; Elfstrom; Ireland and Bateson. Excused (1) Hallock. Motion carried. (Senator Schedeen will lead the floor discussion.)

SB 321 concerning changing the time limit in which a health insurer may contest certain statements in the policy application for a health insurance policy, from 3 to 2 years, was discussed.

1135      Senator Elfstrom moved SB 321 be sent to the floor with a do pass recommendation. Roll call: Aye (4) Schedeen; Elfstrom; Ireland and Bateson; Excused (1) Hallock. Motion carried. (Senator Bateson will lead the floor discussion.)

SB 365 concerning reciprocal enforcement of judgments was discussed but a needed amendment was not yet ready and it was decided to hold it over until action could be taken on the amendment.

The meeting adjourn at 9:50.

Respectfully submitted,



Rosella Nielson, Clerk

Work Session on SB 106--SB 280--SB 322--SB 365--SB 381--SB 384  
SB 418--SB 462--HB 1225

SB 106 was discussed by the committee and the amendments were studied.

Senator Hallock moved to adopt an amendment which would delete "and signed by" in line 11, of the printed bill, on page 2. Motion carried.

Senator Hallock moved to send SB 106 to the floor with a do pass as amended recommendation. Roll call: Ayes (4) Hallock; Ireland; Schedeen and Bateson; Nays (1) Elfstrom. The motion carried. (Senator Flegel will lead the floor discussion.)

SB 280 was discussed and Mr. Donaca explained the amendments.

Senator Hallock moved to adopt the amendments as submitted, of which, a copy is attached to the minutes as Exhibit 1. Motion carried.

1112 Senator Hallock moved to send SB 280 to the floor with a do pass as amended recommendation. Roll call: Ayes (5) Hallock; Elfstrom; Ireland; Schedeen and Bateson. The motion carried. (Senator Bateson will lead the floor discussion.)

Senator Hallock moved to adopt the amendments to SB 322 submitted by Commissioner Faulstich which are attached to the minutes as Exhibit 2. The motion carried unanimously.

1162 Senator Hallock moved to send SB 322 to the floor with a do pass as amended recommendation. Roll call: Aye (5) Hallock; Elfstrom; Ireland; Schedeen and Bateson. The motion carried. (Senator Elfstrom will lead the floor discussion.)

SB 365 was reviewed by the committee and the amendment discussed.

Senator Hallock moved the adoption of the following amendments: On page 13 of the printed bill, line 26, delete "person" and insert "insurance agent". On page 13, line 28, after "policy" insert "knowing it to be procured through an unauthorized insurer". The motion carried unanimously.

Senator Hallock moved to send SB 365 to the floor with a do pass as amended recommendation. Roll call: Ayes (5) Hallock; Elfstrom; Ireland; Schedeen and Bateson. (Senator Hallock will lead the floor discussion.)

1260 SB 381 and amendments submitted by Mr. Livingstone were reviewed by the committee.

1309 Senator Hallock asked Commissioner Faulstich if he would favor the repeal of HB 1001, the three way workman's compensation Act, the workmen's compensation statute of 1913, and the substitution of a bill which generally said "the Commissioner may by regulation determine that the state may write some or all of the workmen's compensation coverage in Oregon, that there shall or shall not be D.R.Es, that there



Exhibit I

4-9-69

SB462

Re; Senate Bill 462 Relating to  
contribution provisions and subrogation rights  
of insurance carriers and health care contractors

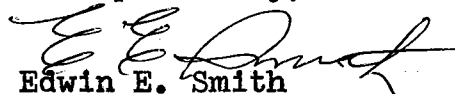
Testimony of Edwin E. Smith representing  
the Farmers Insurance Group.

Chapter <sup>743</sup>~~473~~ of the insurance code to which this bill would  
be added if enacted provides for the policy regulations and  
provisions of all policies and all coverages not just accident  
and health type coverages.

Section 2 of the bill, as I read it, is not limited to accident,  
medical, health care or funeral coverages. It would also apply  
to property coverages and it would invalidate any primary, pro  
rata or excess language in any policy unless separate written  
consent of the insured was obtained.

Section 3 would eliminate Uninsured Motorist Subrogation as  
well as other accident and health subrogation rights. The  
insured could collect from his own insurance company but the  
company would not have any right to proceed against the un-  
insured motorist. I believe this would permit the uninsured  
to get away without paying anyone or that the insured could  
collect from the company and the uninsured too.

Respectfully,



Edwin E. Smith  
Liability Claims Manager  
Farmers Insurance Group

PROPOSED AMENDMENTS TO  
SENATE BILL 322

On page 4 of the printed bill, line 10, delete "to be" and in the same line after "it." insert "Except as provided in subsection (2) of section 5 of this 1969 Act, each filing shall become effective immediately on the date specified therein but not earlier than the date such filing is received by the commissioner. This subsection does not apply to inland marine risks which by general custom of the business are not written according to manual rates or rating plans."

On page 4, line 18, delete "and any supporting information".

On page 4, line 21, after "review" insert "workmen's compensation and title insurance".

On page 4, delete lines 24 through 26.

On page 4, line 27, delete "(3)" and restore "(2)".

On page 5, line 16, delete "(4)" and insert "(3)" and in the same line delete "of this section" and insert "of section 4 of this 1969 Act".

On page 5, line 18, delete "(3)" and insert "(2)".

On page 5, line 29, delete "(3)" and restore "(2)".

On page 10, delete lines 9 through 11.

On page 10, line 12, delete "(b) Two" and insert "two".

SB 365



# DEPARTMENT OF COMMERCE

## INSURANCE DIVISION

COMMERCE BUILDING • SALEM, OREGON • 97310 • Phone 503-364-2171

TOM McCALL  
GOVERNOR

March 21, 1969

Honorable Cornelius C. Bateson  
Chairman, Senate Financial Affairs Committee  
The Capitol  
Salem, Oregon 97310

Dear Corny:

The point raised by Senator Elfstrom with respect to Section 17 of Senate Bill 365 is extremely well taken and I offer the following amendments to clarify this provision so that it accomplishes no more than what we actually intended:

On page 13 of the printed bill, line 26, delete "person" and insert "insurance agent".

On page 13, line 28, after "policy" insert "knowing it to be procured through an unauthorized insurer".

Thank you for the very fine hearing you conducted on our Insurance Division bills. If there are any further questions on any one of the bills--Senate Bill 318, 320, 321, 322 or 365--please let me know.

Yours very truly,

James R. Faulstich  
Insurance Commissioner

JRF:lm  
cc Honorable Robert L. Elfstrom

Proposed Amendments to

Senate Bill 462

On page 2 of the printed bill, line 2, delete "repealing ORS 743.459" and insert "amending ORS 750.055".

On page 2 delete line 3.

On page 2 delete lines 5 through 29 and insert:

"Section 1. Section 2 of this Act is added to and made a part of ORS 743.003 to 743.117.

"Section 2. (1) No insurer shall exclude benefits under any policy of health insurance by reason of the liability of any other person.

(2) This section does not prohibit an insurer, in accordance with the applicable policy provisions, from being subrogated to the rights of their insured for benefits payable or prohibit the coordination of benefits among insurers."

"Section 3. ORS 750.055 is amended to read:

"750.055. (1) The following provisions of the Insurance Code shall apply to health care service contractors to the extent so applicable and not inconsistent with the express provisions of this chapter:

"(a) ORS 731.004 to 731.150, 731.162, 731.204 to 731.362, 731.382, 731.386, 731.390, 731.398 to 731.434, 731.450, 731.454, 731.504, 731.508, 731.512, 731.574 to 731.620, 731.640 to 731.652, 731.804 and 731.844 to 731.992.

"(b) ORS 732.230, 732.245 and 732.250.

"(c) ORS 733.010 to 733.050, 733.080, 733.140 to 733.170, 733.210 to 733.680 and 733.700 to 733.780.

"(d) ORS chapter 734.

"(e) ORS 743.003 to 743.012, 743.018 to 743.030, 743.036 to 743.108, section 2 of this 1969 Act and 743.114.

"(f) ORS 743.492, 743.495 and 743.498, except that such sections do not apply to group health insurance.

"(g) ORS 743.522, except that individual policies may be issued to the persons or families insured in lieu of issuance of a single group policy as referred to in such section.

"(h) ORS 744.005 to 744.265.

"(i) ORS chapter 746.

"(2) For the purposes of this section only, health care service contractors shall be deemed insurers."

Dick House from Medford, Oregon, appeared in support of HB 1878 and supported the previous testimony of Representative Davis. A very detailed and lengthly prepared statement is attached to the minutes. Question and answer session followed. (Refer to Tape #25)

Due to a lack of time, Chairman Frost advised those still wishing to testify on HB 1878 could do so on Tuesday, May 6, 1969.

SB 318 - James Faulstich, Insurance Commissioner for the State of Oregon, appeared in support of SB 318. He advised the committee that this bill increases the minimum capitalization requirements for health insurers from \$300,000 to \$500,000. He also stated that this change in capitalization does not affect any currently licensed insurers and establishes a minimum capitalization amount presently required for all other forms of insurance, except Workmen's Compensation, for which a higher requirement has been established by law. Question and answer session followed. (Refer to Tape #25)

SB 365 - James Faulstich appeared in favor SB 365 and urged the passage of this bill. A prepared explanation of SB 365 is attached hereto. Question and answer session followed. (Refer to Tape #25)

Chairman Frost recessed the meeting until after session.

Chairman Frost reconvened the meeting at 12:45 P.M. Representative Meeker was in attendance at this afternoon meeting.

SB 322 - James Faulstich, appeared before the committee in support of SB 322. He informed the committee that this bill revises the insurance ratings laws and the rate regulation over fire and casualty insurance rates in the State of Oregon. A prepared explanation of SB 322 is attached hereto. Question and answer session followed. (Refer to Tape #25)

Dick Clement and William H. Breeden, both of which represent the Oregon Association of Insurance Agents, concurred with the previous testimony of Jim Faulstich and supported the adoption of SB 322.

John J. Savage, United Pacific Insurance, appeared before the committee in favor of SB 322 and felt this type of legislation should be passed for the betterment of the Insurance industry.

There being no further testimony, Chairman Frost opened the meeting to a work session.

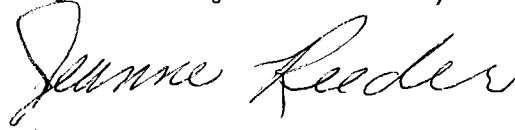
SB 280 - Representative Akeson moved that SB 280 be sent to the floor with a "do pass" recommendation. The motion carried unanimously. Representative Akeson will carry SB 280 on the floor.

SB 318 - Representative Young moved that SB 318 be sent to the floor with a "do pass" recommendation. The motion carried unanimously. Representative Dielschneider will carry SB 318 on the floor.

SB 365 - Representative Young moved that SB 365 be sent to the floor with a "do pass" recommendation. Motion carried unanimously. Representative Young will carry SB 365 on the floor.

There being no further business, Chairman Frost adjourned the meeting at 1:15 P.M.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jeanne Reeder". The signature is written in dark ink and is positioned above a horizontal line.

Jeanne Reeder, Clerk

EXPLANATION OF SENATE BILL 365  
FOR HOUSE FINANCIAL AFFAIRS COMMITTEE

Senate Bill 365 was prepared by and introduced at the request of the Insurance Division of the Department of Commerce. The bill has a number of clarifying and technical amendments necessary for the efficient and effective administration of the insurance code. Specifically:

Sections 1 to 5 of Senate Bill 365 give the Insurance Commissioner necessary legal tools in obtaining jurisdiction over unauthorized -- fly by night -- insurers so that he may effectively prohibit their victimizing the citizens of Oregon. Specific authority for court injunctions against such activity, plus the legal procedures for enforcing court orders in whatever state the company is located are the essentials of these sections.

The bill also corrects certain typographical errors in the insurance code revision of 1967. These are found in sections 6, 11, 18, 19 and 20. In addition, section 21 repeals certain duplicative sections of the code which were inadvertently not repealed in the 1967 revision.

Section 7 allows the Insurance Commissioner to review for fairness and equity impending takeovers of our domestic insurance companies. Recognizing that such a takeover can be accomplished with acquisition of less than 50 percent of the insurer's stock or assets, the definition of controlling interest has been set at 25 percent of the insurer's stock or assets or insurance in force.

Section 9 confers discretionary authority on domestic insurers to invest in student loans guaranteed by the State Scholarship Commission.

Section 10 allows for modernization of bookkeeping practices in evidencing the mandatory insurance coverage to protect mortgage loans made by domestic insurers.

Section 12 states affirmatively the practice of the Insurance Division in making the same rules and regulations apply to all insurers with respect to credit life and health insurance.



Section 13 recognizes the fact that credit life and health insurance is being written for a duration in excess of 5 years, such as on trailer houses, and adopts the National Association of Insurance Commissioners recommended term of 10 years so that proper regulation can be extended to these transactions.

Section 14 allows the commissioner to waive for good cause the requirement in agent licensing that a married female applicant submit her husband's as well as her own fingerprints. On occasion this has been a source of difficulty if, for example, the husband is serving with the Army in Viet Nam.

Section 15 makes independent adjusters subject to the same grounds for license suspension or revocation as agents. Presently, there are no specific grounds for taking action on these licenses.

Section 16 clarifies the prohibition on insurance as an illegal inducement to the sale or purchase of property.

Section 17 has been amended in committee and as amended makes an insurance agent who knowingly places insurance in an unauthorized --fly by night -- company liable to the policyholder for any loss thereunder.

As previously stated, sections 18 through 21 correct typographical errors. I urge the adoption of this bill.