

SENATE COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT

January 18, 2005 Hearing Room B

1:00 PM Tapes 1 - 2

MEMBERS PRESENT: Sen. Rick Metsger, Chair
Sen. Jason Atkinson
Sen. Ryan Deckert
Sen. Laurie Monnes Anderson

MEMBER EXCUSED: Sen. Bruce Starr, Vice-Chair

STAFF PRESENT: Theresa Van Winkle, Committee Administrator
James Goulding, Committee Assistant

ISSUES HEARD & WITNESSES: Informational Meeting -
Department of Consumer and Business Services Insurance Division
Overview
Corey Streisinger
Joel Ario

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 1, A		
003	Chair Metsger	Calls the meeting to order at 1:02 PM. Moves the organizational meeting to the end of the schedule to allow Cory Streisinger extra time to testify. Makes opening comments, stating that this committee will see a lot of insurance related legislation.
<u>DEPARTMENT OF CONSUMER AND BUSINESS SERVICES INSURANCE DIVISION - OVERVIEW</u>		
015	Cory Streisinger	Director, Department of Consumer and Business Services. Begins overview of department and functions. Presents written testimony to the committee (EXHIBIT A). Hands out a fact sheet on medical malpractice insurance (EXHIBIT B). Distributes a pamphlet on protecting the insurance-buying public (EXHIBIT C). Covers the major details of her written testimony, specifically previous legislation and issues touching on insurance liability. Talks about some of the current legislative bills and proposals.
195	Chair Metsger	Asks about adult foster care and the problem of the need for care and the growing cost factor. Mentions a worker's compensation claim by an adult foster care worker, which was not covered by his employer.
220	Streisinger	Responds it is a difficult balance to achieve. Provides greater details of the incident described, and the findings that adult foster care would become unaffordable if worker's compensation was required for employees. Details the problem of risk aversion by insurance companies regarding to high risk industries.

270	Chair Metsger	Thanks her for her assistance and testimony.
285	Joel Ario	Administrator, Department of Consumer and Business Services Insurance Division. Expands upon his portion of the previous written testimony (EXHIBIT A). Testifies about some of the issues of insurance funding in hard market years. Details what they felt might be a solution, and the reason it didn't work with the insurance companies refusing to cover those areas. Points out the proactive focus in trying to reach a solution. Begins discussion about fair treatment of consumers and consumer advocacy unit. Lists the high volume of complaints and finding the most important issues.
330		Provides background on previous legislation relating to Oregon's consumer protection laws. Outlines approaches and other steps being taken. Feels the legislature's decisions should be clear, either to allow something or not allow something, not something in between.
TAPE 2, A		
005	Ario	Provides additional testimony about consumer advocacy. Enters into greater detail on other issues facing the insurance division. Expands upon bills that will likely come before the committee this session.
080	Sen. Deckert	Asks about mortgage insurance. Wonders about insurance requirements for a mortgage being a barrier to home ownership.
095	Ario	Replies it is a problem and a burden. Points out it would probably not be an insurance issue, but a banking issue. States he will get back to him.
105	Sen. Deckert	Wonders that people with low risk records might be given a lower rate.
110	Ario	Points out his colleague in banking could answer that for him.
115	Sen. Deckert	Hopes to get feedback on the issue.
120	Chair Metsger	States the banking and finance are issues to be addressed in the committee. Feels it would be an important discussion to have.
125	Sen. Monnes Anderson	Wonders if he has met with insurance officials regularly and if they were involved in the legislation coming before the committee.
130	Ario	Replies that they are very involved and active in the process. Mentions feedback from insurance companies thus far on specific bills. Discusses legislation regarding home owners.
145	Sen. Monnes Anderson	Asks for clarification regarding the home owners issue, wonders if it addresses adult foster care.
150	Ario	Clarifies that the proposed legislation would create a consumer bill of right around home owner issues. Points out he hasn't seen any opposition to their proposals so far.
155	Chair Metsger	States that he would like to have all members present when they approve the rules of the committee. Outlines what they will be covering in the next few meetings, including the sale of Portland General Electric. Details future meetings, including a road meeting in Forest Grove. Adjourns the meeting at 1:47 PM.

EXHIBIT SUMMARY

- A. **Insurance, Corey Streisinger and Joel Ario, 5 pp**
- B. **Insurance, Medical Malpractice, Corey Streisinger, 5 pp**
- C. **Insurance, Corey Streisinger, 1 pamphlet**