

HOUSE COMMITTEE ON
BUSINESS, LABOR AND CONSUMER AFFAIRS

March 12, 2003 Hearing Room E
8:30 A.M. Tapes 54 – 55

MEMBERS PRESENT: Rep. Betsy Close, Chair
 Rep. Derrick Kitts, Vice-Chair
 Rep. Diane Rosenbaum, Vice-Chair
 Rep. Mary Gallegos
 Rep. Bill Garrard
 Rep. Jeff Merkley
 Rep. Mike Schaufler

STAFF PRESENT: Megan Palau, Committee Administrator
 Mike Reiley, Committee Assistant

MEASURE/ISSUES HEARD: **HB 2616 – Public Hearing**
 HB 2019 – Public Hearing

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 54, A		
003	Chair Close	Calls meeting to order at 8:35 a.m. Opens public hearing on HB 2616.
<u>HB 2616 – PUBLIC HEARING</u>		
010	Megan Palau	Committee Administrator. Summarizes HB 2616.
012	Rep. Robert Ackerman	House District 13. Submits and summarizes prepared testimony in support of HB 2616 (EXHIBIT A).
052	Bill Wiswall	Attorney. Submits and summarizes prepared testimony in support of HB 2616 (EXHIBIT B).
178	Jeannette Gillam	Eugene, Oregon. Testifies in support of HB 2616. Explains her automobile accident.
211	Chair Close	Asks for clarification of payments and benefits of case of Mrs. Gaston outlined in submitted testimony.
222	Wiswall	Explains payments and benefits received and paid by Mrs. Gaston.
264	Chair Close	Asks for further clarification.
266	Wiswall	Explains provisions included in insurance policy.
288	Rep. Kitts	Asks why attorneys do not itemize costs they will seek.
302	Wiswall	Answers that they do sometimes itemize and explains process.
339	Rep. Kitts	Asks about division of expenses.
344	Wiswall	Explains division of expenses.
363	Rep. Rosenbaum	Asks about payment and settlements
371	Wiswall	Explains payments and settlements.
393	Rep. Rosenbaum	Asks if claimants are required to repay insurance companies.
396	Wiswall	Explains payments process.
TAPE 55, A		
005	Rep. Rosenbaum	Asks for clarification.

009	Wiswall	Offers clarification.
011	Rep. Garrard	Asks if law firm representing injured party receives future payments.
015	Wiswall	Answers that law firm is not involved in future payments.
021	Rep. Gallegos	Asks how cap on payments is determined.
028	Wiswall	Explains cap on liability insurance.
044	Rep. Gallegos	Asks about lawsuit against taxicab company.
051	Wiswall	Explains lawsuits associated with case.
067	Rep. Kitts	Asks about inclusions in monetary compensation.
073	Wiswall	Explains monetary compensation.
074	Rep. Kitts	Asks about future compensations.
082	Wiswall	Explains compensation of settlements.
085	Rep. Kitts	Asks for clarification.
098	Wiswall	Offers clarification.
104	Rep. Schaufler	Asks for clarification of future settlements and attorney compensation.
107	Wiswall	Explains settlements and compensation.
114	Rep. Gallegos	Asks about payments from other insurance companies.
117	Wiswall	Explains payments from other insurance companies.
127	Rep. Ackerman	Clarifies role of attorneys in litigation regarding payments.
163	Rep. Dennis Richardson	House District 4. Testifies in support of HB 2616. Explains litigation process and insurance benefits and payments.
245	Rep. Gallegos	Asks if trust agreements are established.
250	Rep. Richardson	Answers that they sometimes are, sometimes it is on good faith.
252	Rep. Garrard	Asks about role of insurance companies in accident settlements.
257	Rep. Richardson	Explains role of insurance companies in accident settlements.
268	Rep. Rosenbaum	Asks about insurance settlements.
274	Rep. Richardson	Explains trust agreements and insurance settlements.
285	Rep. Rosenbaum	Asks for clarification.
288	Rep. Richardson	Offers clarification.
294	Rep. Gallegos	Asks about extent of insurance settlement situation.
307	Rep. Richardson	Clarifies nature of insurance settlements.
315	Rep. Kitts	Asks Mr. Powell to address testimony of Rep. Richardson.
325	John Powell	Regence BlueCross BlueShield of Oregon. Testifies in opposition to HB 2616. Explains insurance claims process and addresses testimony of Rep. Richardson.
414	Leonard Hagen	Director of Legislative Affairs, Regence BlueCross BlueShield of Oregon. Submits and summarizes prepared testimony in opposition to HB 2616 (EXHIBIT C).

TAPE 54, B

001	Hagen	Continues testimony.
073	Rep. Garrard	Asks for clarification of insurance coverage and benefits.
090	Hagen	Clarifies insurance coverage and benefits.
100	Rep. Garrard	Asks for further clarification of insurance coverage and benefits.
104	Powell	Explains insurance coverage and benefits.
145	Rep. Schaufler	Asks if insurance premiums would increase under HB 2616.
167	Powell	Explains effect on insurance premiums.
183	Rep. Gallegos	Comments on ability of injured party to recover settlement.
198	Hagen	Explains settlement process.
226	Rep. Schaufler	Expresses concern that insurance premiums would be increased.
240	Rep. Merkley	Asks if settlement cap would be amenable.
263	Hagen	Explains benefits and disadvantages to settlement cap.
283	Rep. Rosenbaum	Asks about recovering expenses and provisions in other states.
291	Hagen	Answers that he does not know about provisions in other states.

324	Rep. Rosenbaum	Explains process of recovering expenses.
326	Hagen	Asks for further clarification.
355	Powell	Offers further clarification of recovering expenses.
		Clarifies that it would be responsibility of wrongful parties to pay.
366	Chair Close	Closes public hearing on HB 2616. Opens public hearing on HB 2019.

HB 2019 – PUBLIC HEARING

377	Megan Palau	Committee Administrator. Summarizes HB 2019.
386	Jan Amling	Executive Director, Consumer Credit Counseling Service (CCCS). Submits and summarizes prepared testimony in support of HB 2019 (EXHIBIT D).

TAPE 55, B

092	Chair Close	Asks for clarification regarding federal bankruptcy protection.
096	Amling	Explains federal bankruptcy legislation.
125	Rep. Merkley	Expresses support for CCCS and asks about charging of fees.
172	Amling	Explains provisions regarding charging of fees.
201	Rep. Rosenbaum	Asks if business practices of some competitors are in violation of current statute.
207	Amling	Explains questionable business practices that take place.
216	Rep. Rosenbaum	Asks if setting a specific fee would be amenable.
222	Amling	Explains other states' fee provisions and operations.
250	Rep. Rosenbaum	Asks about setting fee that would not exceed a certain level.
252	Amling	Answers that it would not be feasible due to different situations.
267	Chair Close	Asks about role of Department of Consumer and Business Services in handling situation.
270	Amling	Responds.
277	Rep. Merkley	Asks for explanation of fees up front for protection of consumers.
307	Matt Markee	CCCS. Testifies in support of HB 2019.
324	Chair Close	Closes public hearing on HB 2019. Adjourns meeting at 10:22 a.m.

EXHIBIT SUMMARY

- A – HB 2616, written testimony, Rep. Robert Ackerman, 2 pp**
- B – HB 2616, written testimony, William Wiswall, 7 pp**
- C – HB 2616, written testimony, Leonard Hagen, 1 p**
- D – HB 2019, written testimony, Jan Amling, 4 p**