

# HOUSE COMMITTEE ON SMART GROWTH AND COMMERCE

March 28, 2001  
3:15 PM

Hearing Room 50  
Tapes 79 – 84

**MEMBERS PRESENT:** Rep. Bill Witt, Chair  
Rep. Betsy Johnson, Vice-Chair  
Rep. Tim Knopp, Vice-Chair  
Rep. Alan Bates  
Rep. Alan Brown  
Rep. Janet Carlson  
Rep. Richard Devlin  
Rep. Bill Garrard  
Rep. Jerry Krummel  
Rep. Laurie Monnes-Anderson  
Rep. Vicki Walker

**MEMBERS EXCUSED:** Rep. Janet Carlson  
Rep. Jerry Krummel

**STAFF PRESENT:** Daniel Clem, Committee Administrator  
Renee' Lunsford, Committee Assistant

**MEASURE/ISSUES HEARD:** HB 2638 Work Session  
HB 3797 Public Hearing

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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.

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<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
<b>TAPE 79, A</b>		
005	Chair Witt	Calls the committee to order at 3:35 p.m. and opens a work session on HB 2638.
<b><u>HB 2638 - WORK SESSION</u></b>		
015	Al Elkins	Representing the Oregon Tow Truck Association. Testifies in support of HB 2638.
119	Rep. Walker	Asks Mr. Elkins if he is aware of the fact that the documents are available by fax rather than by mail.
125	Elkins	Responds that he is aware of this. Comments that many do not use the fax method because there is an additional charge involved.
132	Rep. Walker	Asks what the charge is.
134	Steve Preston	President, Oregon Tow Truck Association. Responds that it is \$.50 per vehicle.
137	Rep. Garrard	States that he cannot find which set of amendments gives a 15-day period.
142	Chair Witt	State it is the -1 amendments. Explains the purpose of the various amendments. Asks Mr. Elkins if he has looked at the -3, -4, -5 and -6 amendments.
151	Elkins	Responds that he has not. Notes that they would support the -6 amendments and that they'd like to stay with the -1 amendments.
159	Dan Clem	Committee Administrator. Explains the purpose of the -6

		amendments.
164	Preston	Comments on the problems they encounter with out-of-state vehicle identification.
172	Chair Witt	Asks if under current law out-of-state vehicles and Oregon vehicles are treated the same, and if under the –1 amendments they would be treated the same.
174	Elkins	Responds that it is his understanding that they would be treated the same. Notes that they were asking for an additional 15 days.
185	Chair Witt	Notes that he has some concerns regarding the –6 amendments. Comments in support of the –1 amendments.
199	Rep. Brown	States he will support the bill with the –1 amendments.
202	Chair Witt	States that he doesn't think the committee received sufficient testimony to address the issue of out-of-state vehicles.
<b>214</b>	<b>Rep. Devlin</b>	<b>MOTION: Moves to ADOPT HB 2638-1 amendments dated 2/5/01.</b>
224	Monty King	Oregon Independent Auto Dealers. States that they would accept the –1 amendments with the –2 amendments.
227	Rep. Walker	States she would prefer a shorter time line, but will support the –1 amendments. <b>VOTE: 9-0-2</b>
<b>233</b>	<b>Chair Witt</b>	<b>EXCUSED: 2 – Rep. Carlson, Rep. Krummel</b>
<b>236</b>	<b>Rep. Devlin</b>	<b>Hearing no objection, declares the motion CARRIED.</b> <b>MOTION: Moves to ADOPT HB 2638-2 amendments dated 2/16/01.</b>
238	Rep. Johnson	States that she is still unclear as to how much this is going to cost ODOT.
243	Chair Witt	Clarifies that the –2 amendments eliminate the study. <b>VOTE: 9-0-2</b>
<b>245</b>	<b>Chair Witt</b>	<b>EXCUSED: 2 – Rep. Carlson, Rep. Krummel</b>
<b>247</b>	<b>Rep. Devlin</b>	<b>Hearing no objection, declares the motion CARRIED.</b> <b>MOTION: Moves HB 2638 to the floor with a DO PASS AS AMENDED recommendation.</b> <b>VOTE: 9-0-2</b>
		<b>AYE: In a roll call vote, all members present vote Aye.</b>
<b>257</b>	<b>Chair Witt</b>	<b>EXCUSED: 2 – Rep. Carlson, Rep. Krummel</b> <b>The motion CARRIES.</b> <b>REP. BROWN will lead discussion on the floor.</b>
260	Chair Witt	Closes the work session on HB 2638 and opens a public hearing on HB 3797.
<b><u>HB 3797 - PUBLIC HEARING</u></b>		
269	Clem	Reads the preliminary staff summary on HB 3797.
297	Chair Witt	Comments on the amount of time witnesses will have to testify on the bill.
311	Lynn Lundquist	President, Oregon Business Association. Submits and reads written testimony in support of HB 3797 ( <b>EXHIBIT A</b> ).
<b>TAPE 80, A</b>		
035	Rep. Walker	Asks what would happen to education in the state if they don't establish the economic security fund.
037	Lundquist	Responds that teachers would be laid off and the quality of education would decline.
050	Rep. Devlin	Asks what benefit an economic security fund containing \$200 or \$300 million would be under a scenario where the state faces cuts as high as \$2 billion due to an economic downturn.
060	Lundquist	Responds that the total size of the fund would be much greater

		than this.
067	Phil Donovan	Representing the coalition on behalf of the Oregon Business Association. Testifies in support of HB 3797.
184	Chair Witt	Asks Mr. Donovan to explain how he came to the calculation that \$357 million in dividends could have been paid under the bill.
193	Donovan	Responds that the numbers come from the office of Pac-West Communications.
195	Chair Witt	States that the triggers to use dollars from the fund look significant. Asks if it is intentional that the legislature does not make the request to use the funds.
204	Donovan	Responds that they were looking to put significant constraints on the construction of an economic security fund.
212	Chair Witt	Asks Mr. Donovan if he would be open to other language in regard to these triggers.
213	Donovan	Responds that they would be happy to consider any ideas.
214	Rep. Johnson	Asks how they would respond if all references to the Industrial Accident Fund were deleted.
221	Donovan	Responds that they are trying to ensure that the economic security fund is funded in a manner that means something and they are interested in putting “everything on the table”.
234	Rep. Johnson	Asks if Mr. Donovan’s statement about putting “everything on the table” would include the “kicker”.
236	Donovan	Responds that the Oregon Business Association has not had this conversation.
243	Rep. Devlin	Asks if they had examined all other available options in terms of new revenue generating mechanisms before including the provisions relative to the State Accident Insurance Fund.
258	Donovan	Responds that an exhaustive review was done.
263	Rep. Devlin	Asks if you could provide information if any of those triggers referenced have come into play since the last recession.
267	Donovan	Responds I would be happy to do that.
275	Rep. Devlin	Reads section, (page 2, subsection 7) from the bill. Asks is it envisioned that that transfer could occur without legislative action.
278	Donovan	Responds we think that is the intent.
292	Chair Witt	Declares that I think it does and that’s intentional to ensure the fund can meet its obligation.
297	Rep. Devlin	States I agree with that potential understanding but it does raise a significant issue when you have funds that might have considerable dollars involved.
304	Donovan	Gives additional reason for the language.
307	Sean Smith	Representing the Oregon Business Association (OBA). Submits written testimony ( <b>EXHIBIT B</b> ) from Steve Ward, Ward Insurance.
313	Rep. Dan Gardner	House District 13. Submits written testimony ( <b>EXHIBIT C</b> ) and testifies in support of HB 3797.
381	Rep. Johnson	References the Tillamook Creamery who would lose dividends received by SAIF if this legislation passes and asks how that doesn’t hurt working families.
389	Rep. Gardner	Responds that it would not increase the cost to that business but it would still get a portion of the rebates back and explains.
390	Rep. Bates	Asks why we have a right to take money from an accident insurance fund that was appropriated there by employers and use it to establish this fund.

405 Rep. Gardner Sates I believe we have the legal basis for this. Responds SAIF through this fund is not taxed through federal taxes and taking this back as a dividend from them in just a portion of the interest off of the fund is appropriate.

**TAPE 79, B**

007 Rep. Devlin Asks if an employer pays a corporate comp premium and their dividends decrease, isn't their cost greater.

015 Rep. Gardner Responds they would not get as high of a rebate back as they would otherwise and explains.

021 Chair Witt Adds that in the short-term that may be true, in the long-term that might not be true. A competitive analysis would tell you that the rates might actually come down over the long term.

029 Rep. Tom Butler House District 60. Testifies in support of HB 3797.

152 Rep. V. Walker Asks if SAIF makes more money on investments than it does on its workers compensation claims. Comments that they were huge.

162 Rep. Butler States that from the reports I have seen that the amount of earnings made were greater than the actual premiums charged by the company. Remarks they were over \$200,000,000.

165 Rep. V. Walker States that does not sound like insurance to me, it sounds like a stock investment.

170 Rep. Butler Responds these earnings were made in the stock market.

176 Rep. V. Walker Asks if investing in the SAIF fund would be a great investment.

186 Rep. Butler Responds I wouldn't put .10 in it anymore.

196 Rep. Garrard Asks if you deplete the fund, where would you go to refill the fund.

207 Rep. Butler Explains the process that would have to take place prior to reaching the funds and you'd have to replace it by setting aside 2% - 3% of every years budget thereafter until replaced.

225 Chair Witt Conveys his understanding of removal and replacement procedures.

228 Rep. Monnes-Anderson Asks if SAIF is considered a public agency or a private agency.

239 Rep. Butler States SAIF is a quasi-municipal organization and explains.

277 Rep. Monnes-Anderson Clarifies that SAIF achieved its tax-exempt status because it began as a state agency and asks if other insurance companies who sell workers comp have this status at all.

285 Rep. Butler Responds this is the only company in Oregon that is enjoying this status.

294 Chair Witt Asks if there are excess reserves, who do they belong to. Asks if that is your judgment.

305 Rep. Butler Responds it is my understanding that the reserves belong to the State of Oregon. States that is my judgment.

307 Rep. Brown States 35,000 small businesses are insured with SAIF.

338 Rep. Bates Asks if they have ever tried to calculate the loss in taxes to the State of Oregon over the last 5-10 years.

356 Rep. Butler Responds with his thoughts regarding this area.

367 Rep. Devlin Comments the bill has been presented several different ways and asks what is the purpose of this bill.

389 Rep. Butler States, "It's got something in it for everybody to hold their nose and vote yes for".

411 Mike McCallum President, Oregon Restaurant Association (ORA). Submits written testimony (**EXHIBIT D**) and testifies in support of HB 3797.

**TAPE 80, B**

061	McCallum	Continues testimony.
094	Rep. V. Walker	Asks if his members purchase their workers compensation insurance from SAIF.
101	McCallum	Responds that approximately half receive insurance from SAIF, half from Liberty and a small percentage from other providers in the market.
104	Rep. V. Walker	Asks what do your members do with their dividends received from SAIF.
106	McCallum	States I wouldn't care to speculate in that respect.
110	Chair Witt	Asks if there was a surplus do you believe the surplus rightfully belongs to the State of Oregon or to the policyholders of SAIF.
114	McCallum	Responds you can make an argument either way and explains.
122	Bob Shiprack	Executive Secretary, Oregon State Building and Construction Trades Council. Testifies in support of HB 3797.
205	Jim Bernau	Founder and President, Willamette Valley Vineyards. Submits written testimony ( <b>EXHIBIT E</b> ) and testifies in support of HB 3797.
274	Steve Telfer	Oregon Legislative Counsel for the Alliance of American Insurers (AAI). Submits written testimony ( <b>EXHIBIT F</b> ) and testifies in support of HB 3797.
360	Telfer	Continues with his testimony.
<b>TAPE 81, A</b>		
015	Telfer	Continues with his testimony.
032	Brian Boe	Representing the National Association of Independent Insurers. Testifies in support of HB 3797.
060	Jim McClain	Private citizen from Monroe, WA. Submits written testimony ( <b>EXHIBIT G</b> ) and testifies in support of HB 3797.
089	Ed McKenney	President, Gem Equipment of Oregon, Inc. Submits written testimony ( <b>EXHIBIT H</b> ) and testifies in support of HB 3797.
114	Gary Coe	Principal of Speed's Towing. Testifies in support of HB 3797.
157	Rich Peppers	Representing the Oregon Public Employees Union (OPEU) – SEIU Local 503. Testifies in support of HB 3797.
169	Rep. Johnson	Asks if other funding opportunities were not available would the “kicker” be acceptable.
171	Peppers	Responds I believe that would be in the category of possible current revenues.
174	David Williams	Representing the Oregon School Employees Association (OSEA). Submits written testimony ( <b>EXHIBIT I</b> ) and testifies in support of HB 3797.
200	Chair Witt	Recesses the public hearing on HB 3797 and reopens the work session on HB 2638.

**HB 2638 - WORK SESSION (CONTINUES)**

208	Rep. Knopp	<b>MOTION: Moves to SUSPEND the rules for the purpose of Reconsidering the vote on HB 2638.</b>
		<b>VOTE: 8-0-3</b>
		<b>AYE: In a roll call vote, all members present vote Aye.</b>
		<b>EXCUSED: 3 - Rep. Bates, Rep. Carlson, Rep. Krummel</b>
216	Chair Witt	<b>The motion CARRIES.</b>
225	Rep. Knopp	<b>MOTION: Moves to RECONSIDER the vote by which we passed HB 2638.</b>
231	Chair Witt	Explains that we were incorrectly advised on the –2 amendments we put them into the bill, we should have taken them out of the bill.
236	Rep. Johnson	<b>MOTION: Moves the –2 amendments be deleted from HB</b>

240 Chair Witt **2638.**  
States the –2 amendments set up the study.  
**VOTE: 8-0-3**

244 Chair Witt **EXCUSED: 3 - Rep. Bates, Rep. Carlson, Rep Krummel**  
Hearing no objection, declares the motion **CARRIED.**

247 Rep. Devlin **MOTION: Moves HB 2638 to the floor with a DO PASS AS**  
**AMENDED recommendation.**

**VOTE: 8-0-3**

250 Chair Witt **AYE: In a roll call vote, all members present vote Aye.**  
**EXCUSED: 3 - Rep. Bates, Rep. Carlson, Rep. Krummel**  
**The motion CARRIES.**  
**REP. BROWN will lead discussion on the floor.**

259 Chair Witt Closes the work session on HB 2638 and recesses the committee until 5:50 p.m.

267 Chair Witt Reconvenes the committee and reopens the public hearing on HB 3797.

**HB 3797 - PUBLIC HEARING (CONTINUES)**

271 Katherine Keene President and CEO, State Accident Insurance Fund Corporation (SAIF). Submits written testimony (**EXHIBIT J**) and testifies in opposition to HB 3797.

364 Keene Continues with her testimony.

**TAPE 82, A**

020 Keene Continues with her testimony.

050 Brian Steffel Senior Vice President, State Accident Insurance Fund Corporation (SAIF). Testifies in opposition to HB 3797.

090 Keene Inserts additional information regarding how all employers of Oregon are benefiting today.

106 Steffel Continues with testimony.

125 Keene Inserts additional information regarding payment to claims.

129 Steffel Continues with testimony.

137 Keene Inserts additional information regarding premium rates.

142 Steffel Continues with testimony.

152 Keene States that we believe you were given an inappropriate benchmark in earlier testimony and explains.

161 Steffel Continues with testimony.

170 Keene States that the difference in mission will explain the difference in reserving.

184 Steffel Continues with testimony.

195 Keene Inserts additional information on managing the old open claims.

221 Steffel Continues with testimony.

249 Keene Comments on how medical inflation has been unstable over the last 20 years and continues with additional information.

290 Steffel Continues with testimony.

301 Keene Remarks about SAIF's market share.

310 Steffel Continues with testimony.

325 Keene Inserts additional information regarding the insurance market and continues with additional testimony.

352 Rep. V. Walker States you said you are subject to the public records law. Asks if your agency has ever denied a public records request for documents.

362 Keene Gives an explanation on current litigation.

382 Rep. V. Walker Reads from a letter sent by Katherine Keene to Rep. Piercy and

		asks if you did send that letter.
404	Keene	Responds yes I did and explains.
407	Rep. V. Walker	Reads from a letter by one of SAIF's policyholders and asks if that surprises you that one of your insured has the impression that you are a private agency. Asks if SAIF makes more money on their investments than on their workers comp premiums.
417	Keene	Responds that darn little surprises me anymore. Responds that some years we do and some years we don't.
<b>TAPE 81, B</b>		
007	Rep. Garrard	Comments that the State of Oregon over the last 10-years would have averaged about \$59,000,000 a year and still maintaining enough reserves for future claims. Asks whose money is it does it belong to the policyholders of SAIF or does it belong to the people of Oregon.
019	Keene	Responds that our policyholders believe that whenever there is funding that is not necessary for reserves and surplus that it should be returned to them.
025	Rep. Garrard	Acknowledges I am still waiting for your answer and restates in your opinion who does that money belong to.
028	Keene	Responds we believe that money belongs to our policyholders.
031	Rep. V. Walker	Asks if this bill changes any of the surplus or reserving of paying disability claims.
033	Keene	Responds that it would not directly affect reserves and states additional thoughts.
049	Rep. V. Walker	Questions if Ms. Keene approached her on March 7, 2001 and said "that policyholders want you to do what ever it takes to keep their workers protected and the net cost of their insurance as low as possible".
052	Keene	Replies yes we had a rather extensive conversation about your disagreement over our right to retain professional lobbyist.
054	Rep. V. Walker	States you did make that statement and did the agency reach a settlement in July of last year with the Department of Consumer & Business Services (DCBS) that your agency was spreading misleading information about Liberty.
058	Keene	Replies yes we entered into a voluntary agreement with DCBS over a series of math errors in some of our proposal packages and explains.
066	Rep. V. Walker	Asks if you have a contract with AOI that when someone becomes one of your insured you refer them over to AOI and provide AOI with basically kickbacks for these people becoming members.
071	Keene	Gives explanation of group programs with AOI.
087	Rep. V. Walker	Asks do you have anything to do with this document that showed up in my box which states "Raid on SAIF, RAID SAIF, SAIF RAID" which I characterize as quite misleading about what this proposal does.
092	Keene	States we don't influence AOI's public policy decision making process.
100	Rep. Devlin	References page 3 lines 30-31. Asks if I could receive a written response to what you interpret that as meaning. Asks if you could review the fiscal analysis to see how accurate you believe it is and if this bill had passed "June 1, 1997" what the impacts would have been on your dividends and on your rates.
110	Keene	Responds yes, we will be happy to do that. States we can do that.

120	J. L. Wilson	Executive Director, National Federation of Independent Business (NFIB). Submits written testimony ( <b>EXHIBIT K</b> ) and testifies in opposition to HB 3797.
214	Jon Egge	Representative NFIB State Advisory Committee. Submits written testimony ( <b>EXHIBIT L</b> ) and testifies in opposition to HB 3797.
316	Rep. Johnson	Asks Mr. Wilson if he heard Mr. Bernau's testimony and that seems to indicate there might be disagreement of opinion with NFIB could you reconcile that for me.
322	Wilson	Responds yes I heard it and explains the different issues.
334	Rep. Garrard	Asks if his position would be different if reserves were legally determined to belong to the Oregon taxpayer and not SAIF policyholders would your position be different.
345	Wilson	States I would never stop fighting to keep the net cost of workers comp down for my members.
351	Chair Witt	Referred to a comment by Hartford that they couldn't compete with SAIF here in Oregon and asks if that is an indication that SAIF has some kind of competitive advantage.
363	Wilson	States that is great and explains.
371	Chair Witt	Comments on NFIB's general belief and here we have a situation where government/public corporation is competing in the market seems to have some significant advantages at least as it relates to taxes and asks doesn't that concern you.
385	Wilson	Responds that I have always maintained that I was philosophically conflicted on this issue but I can say is that I am a membership organization I do what my members want me to do.
390	Egge	Adds an additional comment that many small businesses look at this as a tax cause there is no option on it and explains.
407	Chair Witt	Asks if this bill provided payments of any excess surplus back to policyholders instead of into a security fund would the position of NFIB be the same as it is now or might it be different.
412	Wilson	Clarifies that you don't know the answer at this time. Responds I would ask the question to my members. States I do not.
<b>TAPE 82, B</b>		
003	Egge	Adds I would be a little worried about potential disruption with that kind of event because of how it might effect rates than I would be about leaving it the way it is.
015	Tim Nesbitt	President, Oregon AFL-CIO. Testifies in opposition to HB 3797.
035	Jim Carlson	Representing the Oregon Health Care Association (OHCA). Submits written testimony ( <b>EXHIBIT M</b> ) and testifies in opposition to HB 3797.
082	Rep. Johnson	Notes that in prior testimony service was an issue but you seem to have no difficult with having your accounts serviced.
087	Carlson	Responds we have been very pleased with the various programs offered through SAIF and explains.
095	Chair Witt	Asks if you believe service is best provided through a competitive market place.
106	Carlson	Responds I have not seen a lack of competition in the Oregon market and explains.
110	Chair Witt	Asks do you see a fundamental reason as to why the state has to be in the workers compensation business today in the year 2001.
119	Carlson	Responds since you are dealing with a mandatory government mandated requirement on employers the mission that SAIF has



		has served the state and employers well through the years and continues with explanation.
135	Nesbitt	Adds that in states where there is a state sponsored workers comp program that workers are better served.
149	Jim Gahlsdorf	Owner, Gahlsdorf Logging. Submits written testimony <b>(EXHIBIT N)</b> and testifies in opposition to HB 3797.
212	Jim Geisinger	Executive Vice President, Associated Oregon Loggers. Submits written testimony <b>(EXHIBIT O)</b> and testifies in opposition to HB 3797.
287	Rep. Devlin	Asks what has been your experience in terms of workers comp.
310	Gahlsdorf	Gives explanation of what has transpired with his company.
350	Derek Sadowski	Independent insurance agent from Salem, OR. Submits written testimony for Steve Uerlings <b>(EXHIBIT P)</b> and testifies in opposition to HB 3797.
<b>TAPE 83, A</b>		
003	Chair Witt	References your statement that insurance rates will increase if this bill passes and asks why do you believe this is true.
005	Sadowski	Responds I don't think you will see just the loss of dividends to policyholders and explains.
012	Chair Witt	Asks if you think SAIF currently has any kind of unfair competitive advantage in the market with its surplus and any tax advantages that it may have.
014	Sadowski	Responds that their advantage lies in their ability to take better care of their clients.
022	Jessica Harris	Representing the Associated General Contractors (AGC). Testifies in opposition to HB 3797.
041	Kevin Spellman	President, Emerick Construction. Submits written testimony <b>(EXHIBIT Q)</b> and testifies in opposition to HB 3797.
070	Dee Burch	President, Advanced American Diving. Testifies in opposition to HB 3797.
090	Chair Witt	Describes a scenario where SAIF had excessive surplus that was being used in some way to create a competitive impediment in the market and asks do you believe it's appropriate the surplus not be used to create a competitive impediment for private insurers. Asks do you believe it is most appropriate for those funds to be returned to policyholders or do they belong to the state.
101	Spellman	Responds I don't believe that situation could happen but funds in excess should be returned to the policyholders.
117	Burch	Adds I agree the excess should be returned to the policyholders and I feel if a competitive advantage is being unfairly obtained by anyone that it should not be allowed nor accepted.
127	Dan Sabatino	Corporate Safety Director, Christensen Electric, Inc. Testifies in opposition of HB 3797.
182	Rep. Devlin	Asks if you are speaking on behalf of the company you work for or is that company part of National Electrical Contractors Association (NECA) and have they taken a position on the bill.
187	Sabatino	Responds we are a member of NECA-IBEW but I am speaking on behalf of Christensen Electric, Inc. only.
192	Jean Underhill Wilkinson	Associate Director of Governmental Affairs, Oregon Farm Bureau Federation. Submits written testimony <b>(EXHIBIT R)</b> and testifies in opposition to HB 3797.
249	Scott Barrie	Government Affairs Director for the Oregon Building Industry Association (OBIA). Submits written testimony <b>(EXHIBIT S)</b> and testifies in opposition to HB 3797.

277	Gary Carlson	Representing the Associated Oregon Industries (AOI). Testifies in opposition to HB 3797. Submits a hand engrossed amendment showing the changes they would like to see <b>(EXHIBIT T)</b> .
318	Lisa Trussell	Representing the Associated Oregon Industries (AOI). Submits written testimony <b>(EXHIBIT U)</b> and testifies in opposition to HB 3797.
<b>TAPE 84, A</b>		
006	Rep. Monnes-Anderson	Asks how many dues paying members do you have versus those that have been referred to you through SAIF and does that really occur. Asks if you have associate members.
016	Carlson	Responds we have associate members who do not pay dues to us. States they have a regular membership base of approximately 2,600.
027	Rep. Monnes-Anderson	Asks if I received my insurance through SAIF would I have the option of not becoming an AOI member or would my name automatically be given to you.
031	Carlson	Answers there is an “opt out” opportunity.
044	Deirdre Molander	Project Director, Oregon Business Council. Submits written testimony <b>(EXHIBIT V)</b> and testifies on HB 3797.
093	Rep. Johnson	Asks will the Oregon Business Council explore some of these funding options as indicated in your testimony with an in depth review.
098	Molander	Responds that I can’t tell you for sure and explains.
103	Laurie Wimmer Whelan	Representing the Oregon Education Association (OEA). Submits written material <b>(EXHIBIT W)</b> and testifies on HB 3797.
136	Mary Neidig	Director, Department of Consumer and Business Services (DCBS). Testifies on HB 3797.
255	Chair Witt	Asks if Ms. Neidig could make her written testimony available to the committee.
257	Neidig	States she would be happy to and submits written testimony <b>(EXHIBIT X)</b> .
256	Rep. Garrard	Asks in your opinion do the surplus funds belong to the policyholders or the people of Oregon.
260	Neidig	Responds under current law those monies do belong to the policyholders and explains.
283	John DiLorenzo	Representing the Oregonians for Sound Economic Policy, Inc. (OSEP). Submits written testimony <b>(EXHIBIT Y)</b> and testifies in opposition to HB 3797.
<b>TAPE 83, B</b>		
055	John DiLorenzo	Continues with his testimony. Additional testimony received by staff for the record: <b>(EXHIBIT Z)</b> – written testimony from Emil Graziani representing Garten Services, Inc. in opposition to HB 3797. <b>(EXHIBIT AA)</b> – written testimony from Robert Luoto owner, Cross & Crown, Inc. in opposition to HB 3797. <b>(EXHIBIT BB)</b> – written testimony from Thomas McCoy representing the Oregon Wheat Growers League in opposition to HB 3797. <b>(EXHIBIT CC)</b> – written testimony of Mark Webb for the American Insurance Association. <b>(EXHIBIT DD)</b> – written testimony from Enid Edwards representing the Ecumenical Ministries of Oregon.
143	Chair Witt	Closes the public hearing on HB 3797 and adjourns the committee at 8:30 p.m.

Submitted By,

Renee' Lunsford,  
Committee Assistant

Transcribed By,

Sara Noble,  
Committee Assistant

Reviewed By,

Daniel Clem,  
Committee Administrator

### **EXHIBIT SUMMARY**

A – HB 3797, written testimony, Lynn Lundquist, 2 pp.  
B – HB 3797, written testimony, Sean Smith, 4 pp.  
C - HB 3797, written testimony, Rep. Dan Gardner, 2 pp.  
D – HB 3797, written testimony, Mike McCallum, 49 pp.  
E – HB 3797, written testimony, Jim Bernau, 2 pp.  
F – HB 3797, written testimony, Steve Telfer, 5 pp.  
G – HB 3797, written testimony, Jim McClain, 2 pp.  
H – HB 3797, written testimony, Ed McKenney, 3 pp.  
I – HB 3797, written testimony, David Williams, 2 pp.  
J – HB 3797, written testimony, Katherine Keene, 32 pp.  
K – HB 3797, written testimony, J.L. Wilson, 3 pp.  
L – HB 3797, written testimony, Jon Egge, 3 pp.  
M- HB 3797, written testimony, Jim Carlson, 2 pp.  
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O- HB 3797, written testimony, James Geisinger, 3 pp.  
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