

SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

February 05, 2001
1:00 PM

Hearing Room B
Tape 21

MEMBERS PRESENT: **Sen. Bill Fisher, Chair**
 Sen. Margaret Carter, Vice-Chair
 Sen. Frank Shields
 Sen. Ken Messerle

MEMBER EXCUSED: **Sen. Gary George**

STAFF PRESENT: **Rick Berkobien, Administrator**
 Andrew Morris, Committee Assistant

MEASURES HEARD: **SB 267 Public Hearing and Possible Work Session**

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.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
TAPE 21, A		
004	Chair Fisher	Calls meeting to order at 1:07 p.m. and opens a public hearing on SB 267.
<u>SB 267 PUBLIC HEARING</u>		
008	Rick Berkobien	Administrator. Explains SB 267 to the committee.
047	Charles Nicoloff	Administrator, Insurance Division. Presents testimony in support of SB 267 (EXHIBIT A). Explains insurance terminology. Comments on the background on SB 267. Explains what happens when an insurance company becomes insolvent. States that there needs to be an adequate surplus. States the capital surplus statutes are 25 years old.
100	Nicoloff	Continues explaining insurance to the committee. Discusses risk based capital requirements. Gives a sectional analysis of SB 267.
176	Sen. Carter	Asks why the bill is necessary and asks why certain groups are included in the bill.
185	Nicoloff	Responds that the current requirement of \$500,000 dollars does not cover current insolvencies. States that the bill covers the whole insurance code.
200	Lewis Littlehales	Insurance Division. States the statute has expired.
212	Sen. Carter	Asks about capital requirements.
216	Littlehales	Responds the million-dollar requirement would bring the capital requirement in-line with current inflation rates.
225	Sen. Messerle	Asks about different types of insurance requirements for businesses.
228	Nicoloff	Responds by explaining the different types of insurances. States the capital surplus belongs to the stockholders.
243	Sen. Messerle	Comments on the costs of capital surplus.
252	Nicoloff	Discusses the sale of stocks. States the bill is a win-win situation. States that an amendment is needed to fix some language.

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Chair Fisher

Closes the public hearing on SB 267 and adjourns the meeting
at 1:28 p.m.

Submitted By,

Reviewed By,

Andrew Morris,
Committee Assistant

Rick Berkobien,
Administrator

EXHIBIT SUMMARY

A – SB 267, Written testimony, Charles Nicoloff, 3 pp.