

HOUSE COMMITTEE ON COMMERCE SUBCOMMITTEE ON BUSINESS

April 7, 1993      Hearing Room H170 8:30 a.m.      Tapes 79-81

MEMBERS PRESENT:    Rep. Bob Repine, Chair Rep. Hedy Rijken, Vice-Chair  
Rep. Lisa Naito Rep. Cynthia Wooten

MEMBER EXCUSED:    Rep. Liz VanLeeuwen

STAFF PRESENT:      Janet McComb, Committee Administrator Debbie  
Schieno, Committee Clerk

MEASURES CONSIDERED:      HB 2119 - Public Hearing

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These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. [--- Unable To Translate Graphic ---]

TAPE 79, SIDE A

002      CHAIR REPINE:    Calls the meeting to order at 8:35 a.m.

PUBLIC HEARING ON HB 2119

010      JANET McCOMB, COMMITTEE ADMINISTRATOR:    Outlines Preliminary Staff Measure Summary (EXHIBIT A) and speaks to the hand-engrossed HB 2119

(EXHIBIT B).

040      CHAIR REPINE:    Reviews the history of HB 2119. -A work group was developed to discuss the proposed amendments.

069      MARY ALICE BJORK, ADMINISTRATOR, INSURANCE DIVISION:    Underlines the importance of the bill. -Accreditation process with the National Association of Insurance

Commissioners. -Growth factor for the State of Oregon.

102      CHARLES NICOLOFF, DEPARTMENT OF INSURANCE AND FINANCE:    Outlines the accreditation of the insurance industry (EXHIBIT C). -Answers questions from the members. -Educational requirements.

150      REP. WOOTEN:      Requests a more complete fiscal analysis.

235      CHAIR REPINE:    How many states are working toward accreditation?

MS. BJORK:    There are nineteen states are accredited, twenty-three are targeted for fall 1993.

351 LEWIS LITTLEHALES, INSURANCE DIVISION: Outlines the bill by section (EXHIBIT D). -Answers questions from the members.

TAPE 80, SIDE A

001 MR. LITTLEHALES: Continues section review of HB 2119.

166 REP. WOOTEN: How are rule making standards set?

MR. LITTLEHALES: Explains. -Continues to review.

246 REP. NAITO: A state without accreditation?

MR. NICOLOFF: Any company licensed in a non-accredited state faces questions from other regulators.

MR. LITTLEHALES: Explains the process for non-accreditation. -Continues to review.

TAPE 79, SIDE B

016 REP. NAITO: Are there model rules for the investment program of an insurer?

MR. LITTLEHALES: NAIC is working on the model rules.

033 CHAIR REPINE: Expresses concern with the rules.

047 MS. BJORK: In adopting model regulations, the NAIC has the same process as the statutes. The states do have representation in the promulgation

of the model regulations.

112 MR. NICOLOFF: The industry has input regarding the rules.

140 REP. NAITO: What is the acquisition difference between the short and the long process?

152 TERRY MARR, CHIEF EXAMINER, OREGON INSURANCE DIVISION: Explains the acquisition process.

217 MR. LITTLEHALES: Continues outline.

TAPE 80, SIDE B

190 CHAIR REPINE: Requests a more detailed outline, including identification of the modified model language and a section by section

of defined rules.

212 REP. NAITO: Suggests adopting general statutory language, allowing room for the Director to adopt subsequent rules.

329 TOM BESSONETTE, OREGON MUTUAL INSURANCE COMPANY: Introduces Mike Keyes.

340 MIKE KEYES, OREGON MUTUAL INSURANCE COMPANY: Testifies in support of HB 2119. -Increases the regulation of the insurance industry and extends the

scope of examination powers, etc. -Important corner stone for continued positive regulation of the

insurance business in the State of Oregon.

393 REP. WOOTEN: Why will this bill encourage the creation or expansion of new domestic companies in Oregon?

MR. KEYES: Explains.

TAPE 81, SIDE A

027 JOHN MANGAN, STANDARD INSURANCE COMPANY: Offers support of the HB 211 9.

040 CHAIR REPINE: Announcements.

056 CHAIR REPINE: Adjourns the meeting at 10:37 a.m.

Submitted by:

Reviewed by:

Debbie Schieno  
Administrator

Janet McComb Clerk

EXHIBIT LOG:

A - Preliminary Staff Measure Summary - 1 page B - Hand-Engrossed HB 2119 - 67 pages C - NAIC Accreditation - Nicoloff - 1 page D - HB 2119 by section - Littlehales - 10 pages