

INSURANCE ADVISORY COMMITTEE MEETING MINUTES

January 24, 2006

Committee Members Present: Richard Kingsley, Jim Davis

Committee Members Absent: Shannon Callahan, Laura Cooper, Krista Fisher, Pam Jodock, Dean Kortge, John Mangan, Justin Delaney, Lisa Trussell.

Insurance Division Staff Present: Shelley Bain, Lewis Littlehales, Cindy Jones, Michael Morter, Carol Simila, John Piper, Carl Lundberg, Ron Fredrickson, Linnea Saris, Karen Lehner

Others Present: Muriel Dittler, Tom Jovick, Nancy Nevins, Mike Becker, John Powell, Margaret Van Valkenburg, Jim Stumm, Jim Austin, Brian Miller, Jack Munro.

I. Insurance Division Update

A. Administrative Overview-Joel Ario

1. Staff changes-

- a. Ron Fredrickson, new manager for Consumer Advocacy
- b. Jan Miller filling in for Nancy Boysen, on rotation to DFCS
- c. Linnea Saris, new health analyst in Rates & Forms

2. Health Priorities-

- a. Transparency of health care costs, stabilization of small group market

3. Property Casualty Priorities-

- a. Northwest Physicians merged into The Doctors Company: Northwest Insurance Company is the new name. Possibility of stabilization of the medical malpractice market.

B. Construction Contractors workgroup study: Surveys to go out on it soon.

C. Life –Division is collaborating with DFCS, SEC on Regulation of variable annuities.

D. Rulemaking Updates

- 1. Lewis Littlehales- Producer compensation rule now permanent as well as rule to reduce service fees to dual licensees.
- 2. Also adopted: annual statement instructions from 2006.
- 3. Rules waiting for: on line self-study and health mandates self-study.
- 4. Companies allowed to use credit scoring at renewal. Last date for comment on this rule: February 24th.
- 5. **SB 1**-coverage of mental health parity

E. Publications –Carol Simila-

- 1. Consumer guides
- 2. Web page consumer alerts

F. Market Surveillance Overview-Cindy Jones

1. Investigations, Market Conduct, and Market Analysis combined under Market Surveillance.
2. Each analyst has different company assignments targeting exams with regards to specific issues in the industry.

II. Property Casualty issues-Cindy Jones

- A.** 1. ID Theft & Fake insurance still being tracked in Market Analysis.
- B.** Construction Contractors Liability Insurance-Michael Morter
1. HB 2078 passed last session dealing with construction liability insurance availability and affordability.
 2. Task force will put a report together for legislature.
- C.** Legislative Concepts- Michael Morter
1. Property & Casualty-Credit coverage on products bought retail have no regulation. Concept written from NAIC model act.
 2. Rural expansion of 4 year SAIF med mal program.

III Life & Health Issues

- A.** Seniors, Medicare D and Fake Insurance-Cindy Jones
1. Market Surveillance is moving investigations quickly on agents misleading the elderly on Medicare Part D plans.
 2. Fake insurance & Medical discount cards; not much activity in MS
- B.** Long term care Insurance updates-Lewis Littlehales
1. A governors task force is looking at affordability and availability.
 2. Insurance division workgroup wants agents trained in LTC.
 3. Currently: 24 months coverage. NAIC model: minimum of 12 months. Also minimum categories of coverage with regards to adult foster care and home care. NAIC model states skilled nursing care cannot be larger than other lower levels of care. The benefit to similarity in the policies is portability from one state to another.
- C.** Legislative Concepts- Lewis Littlehales
1. SB 501- Possibility of including usual, customary & reasonable charges. Possible re examination of small employee health reports.
 2. Company owned life insurance- Purchased to pay for employee benefit plans.
 3. Viatical settlements- insurable interest of marketing these to healthy clients.

IV. Consumer Education Updates

1. Carol Simila - Continuing involvement with Division on long term care workgroup coalition, caregiver groups, Tribal gatherings and producer groups.
2. Oregon Senior Financial Abuse Coalition –we participate in outreach for abuse prevention & consumer rights with several other state agencies.

V. Insurance issues for next agenda

1. Medicare part D (Shiba Rep?)
2. Transparency
3. Market Conduct exam report
4. Market Surveillance report
5. Long term care task force

Meeting Adjourned at 10:30 AM