

INSURANCE ADVISORY COMMITTEE MEETING MINUTES

January 25, 2005

Committee Members Present: Justin Baxter, Jim Davis, Steve Dixon, Krista Fisher, Dean Kortge, John Powell, Lisa Trussell, **Speakerphone:** Laura Cooper

Committee Members Absent: Justin Delaney, Richard Kingsley, Ellen Lowe, Catherine McCann

Insurance Division Staff Present: Joel Ario, Nancy Boysen, Lewis Littlehales, Carl Lundberg, Carmen Mendiola, Michael Morter, Cece Newell, Carol Simila, John Piper

Others Present: Toni Chodrick, Jack Barnes, Marcy Meink, Holley Franklin, Bette Dedrick, Muriel Dittler, Nancy Nevins, Pam Lally

I. Division Update

A. Administrative overview: Joel Ario

- 1) The Insurance Division Budget will go to the Legislature in February.
- 2) The Insurance Division is continuing to work on refining market regulation programs.
- 3) NAIC: The State-Federal debate continues and some property and casualty companies argue that regulation would be efficient under federal control.

B. Rules: Lewis Littlehales

The rule amending the Oregon standard health statement has been adopted.

- 1) Rules to be adopted (hearing held; rules to be finalized):
 - a. Producer and other licensing rulemaking
 - b. Producer compensation and fee disclosure
 - c. Long-term care insurance
 - d. Privacy of personal health information
- 2) Pending Rules (time for comments has not expired):
 - a. Actuarial tables for worker's compensation insurance
 - b. Market assistance plan for commercial general liability insurance.
- 3) Pending adoption of temporary rule governing producer compensation disclosures

C. Publications: John Piper

- 1) The fourth annual "Get Smart" public awareness week is this week:
 - a. Encouraging consumers to check their insurance policies;
 - b. Cautions consumers to be aware of fake insurance;
 - c. Provides consumer tips and a quiz for consumer knowledge are posted on our website.

- 2) *The Consumer Guide to Oregon Medigap and Medicare Advantage Plans* booklet will be available in the near future on the Insurance Division's website.

II. Property & Casualty Insurance Issues

A. Homeowner's insurance bill SB118: Joel Ario

A legislative hearing on the bill is scheduled for February 17, 2005.

- 1) Consumer Protection issues include:
 - a. Disclosure requirements for using CLUE reports in underwriting
 - b. Weather-caused claims excluded from CLUE
 - c. Adult Foster Care access to homeowners insurance.
 - d. Limiting look-back on past claims.

B. MAP/JUA bill SB116: Cece Newell

- 1) The Market Assistance Plan website refers contractors to liability insurance markets.
- 2) Sixty-seven companies have signed up so far.
- 3) The Joint Underwriting Association bill would allow the Director to "spread the pain" to help hard markets.

C. Medial Malpractice and other Hard Markets: Cece Newell

- 1) Overall medical malpractice rate increases have been moderate, with higher increases in some specialty areas.
- 2) A Washington insurer currently admitted in Oregon, but not active, has filed to write professional liability insurance. The rates and forms filed have been approved by the Division.
- 3) DCBS has created a "Med-Mal" fact sheet, available on our website under "What's New?"
- 4) The Adult Foster Care SPARTA program came to an end last week, when the company announced that they will non-renew all accounts in Oregon and in California. The company's unrealistic underwriting requirements are to blame.

III. Health & Life Insurance Issues

A. Key concerns of seniors and people with disabilities: Jim Davis

- a. Long-term care
- b. Health coverage including mental health and addictions parity
- c. Patient Protection issues.

B. Long-term care insurance reform workgroup: Carol Simila

- 1) No task force has been established
- 2) Consumer groups are interested in:
 - a. Statistics on types of long-term care insurance complaints
 - b. Clarifications of rate increases
 - c. Portability

- d. Agent training
- e. Limits on aggressive marketing

IV. Consumer rights outreach effort: Carol Simila

- A. The Home Child Care Providers Association is interested in forming an association to purchase health insurance for their members.
- B. Consumer rights courses for consumers and professionals have been developed. The course for professionals offers CE credits. The course provides updates on consumer laws as well as consumer expectations.
- C. A coalition to reduce senior financial abuse and exploitation is sponsoring the Boomers & Senior Exposition to empower seniors and consumers.
- D. Presentations by the Division of Finance & Corporate Securities and SHIBA are scheduled for February 19–20, 2005 in Salem.

X. Insurance issues for next agenda

- Health issues
- Long-term care update

Meeting Adjourned at 11 AM