

# INSURANCE ADVISORY COMMITTEE MEETING MINUTES

## January 27<sup>th</sup>, 2004

**Committee Members Present:** Jim Davis, Steve Dixon, Krista Fisher, Rich Kingsley, John Powell, Lisa Trussell

**Committee Members Absent:** Justin Delaney, Dean Kortge, Ellen Lowe

**Insurance Division Staff Present:** Joel Ario, Shelley Bain, David Ball, Jann Goodpaster, Tom Jovick, Russell Latham, Lewis Littlehales, Carmen Mendiola, Michael Morter, Carol Simila, Lou Savage

**Others Present:** Kathy Barrie, Lana Butterfield, Muriel Dittler, Lori Long, Jack Munro, Nancy Nevins, Ron Rubino

### 1. Division Update

**Reorganization-** Joel A., OID, reported three basic responsibilities to the consumers have been addressed in the following new organizational structure.

1. Financial Regulation - Russell Latham, Manager
2. Market Regulation - Jann Goodpaster, Manager
3. Consumer Services - Nancy Boysen, Manager, joined the division from Department of Justice.

**Agent Licensing** - Margarita N., OID, reported that a new testing vendor "Promisor" has replaced Experior. Promisor is providing lower costs, more testing sites and state art equipment. The following changes are effective as of January 1<sup>st</sup>, 2004:

- The name for agent and broker has changed by statute to "producer".
- Companies are no longer required to file appointment forms but are required to submit a list of all their appointed agents upon request by the insurance division.

Other changes include:

- The reinstatement time for a lapsed producers license has changed from two years to one year.
- Producers can apply for a non-resident new license online.
- Future projects include: renew resident and nonresident licenses online.

**Financial Regulation update** - Russell L., OID, reported:

The Insurance Division received an accreditation award by the NAIC.

- The DCBS and OIGA filed suit against the National Corporation Company and the Commercial Compensation Casualty Company.
- Next NAIC electronic company annual statement filings are due in March 2004.

**Market Regulation update** - Jann G., OID, reported that she is managing the Market Analysis, Market Conduct, Rates and Forms and Investigation units. Pat Neesham has joined the Market Analysis unit as manager. The Goals for 2004 include:

- Overall surveillance of the market
- Other options for working with companies on more rapid responses.
- The Market Conduct Pilot Program for Life and PC is currently in progress.

**Rulemaking update** - Lewis L., OID, reported adoption of six sets of rulemaking:

1. Workers Compensation pension tables
2. Annual statement forms and instructions
3. Insurance agent fees and charges
4. Life insurance mortality tables
5. Health care service contractors, credentialing of physicians

6. Insurer recoupment of assessments by the Oregon Insurance Guaranty Association.(temporary rule)

7. Seven upcoming sets of rulemaking:

- Agent licensing bill
- Life insurance policy standards for companies
- Life insurance policy - to strengthen regulation of over phone sales
- Long Term Care insurance rules
- Health insurance privacy requirements
- Individual health policy statements
- Life insurance rules for suitability of sales
- Credit scoring.

Joel reported that the discretionary clause issue in health policies is still open as a rulemaking issue.

## **2. Committee structure**

Advisory Committee vision and purpose - Joel reported two fundamental purposes:

1. Sharing information
2. Assessing key issues

**Membership update** - Carol S., OID, reported that consumer participation is needed. Ron Rubino, Legal Aid Society and Ellen Pinney, Oregon Health Action are considering joining the Advisory Committee member panel.

## **3. Discussion of issues**

Online health insurance comparison chart - David B., OID, reported working on a company comparison chart to help guide consumers interested in purchasing individual medical coverage. The chart would be available on our website.

**Suitability** - Jann G., reported that we are looking at a Suitability rule which applies to life insurance and annuities. The Department of Financial and Corporate Securities model law is being analyzed, as well as the NAIC model law.

**Credit Scoring** - Joel reported that detailed information on SB 260 is available on our website. The Insurance Division will also look at:

More specific rules for adverse decision and disclosure clauses.

A regulatory program to enforce the law, and a Market Conduct Seminar on how we will use and enforce this law.

**Claims correspondence with non-English speakers** - Carol and Ruth Kemmy, DCBS Multicultural Program manager, reported that non-English speaking consumers are receiving correspondence in English from the adjuster handling their claim. A work group will be set up to address this problem.

## **3. Insurance issues for next agenda**

Discretionary clauses, Health insurance rates, Health insurance comparison chart, credit scoring.