

**Insurance Division Advisory Committee  
Minutes  
July 24, 2007  
9 AM Room F  
350 Winter Street NE  
Salem, Oregon**

**Committee Members present:** Rich Kingsley, Toni Chodrick, Kim Wirtz, Justin Delaney Paul Gustafson.

**Committee Members absent:** Laura Cooper, Laura Etherton, Pam Jodock, Lisa Trussell, Jim Davis, Dean Kortge.

**Other Attendees:** Brenda Etzel, Theresa Neibert, Megan Houston, Brian Miller, Tim Stumm, Linnea Saris, Jack Munro, Monty King, Nancy Nevins.

**DCBS Staff present:** Cory Streisinger, Joyce Patton, Jan Miller, Ron Fredrickson, Lewis Littlehales, Lorna White, Elizabeth McMahan, Carolyn Hancock, Gayle Woods, Margot Ross, Lou Savage.

**I. Call to Order** - Rich Kingsley, Chair

**II. Insurance Division Update**

**A. Director Overview** - Cory Streisinger

Carl Lundberg is Acting Administrator until a replacement for Joel Ario is found.

Cory will be more active in her role as the Insurance Commissioner in the interim.

Lou Savage in the Director's office will also be working on Insurance projects.

**B. Administrator Search** - Cory Streisinger

Executive search firm being used to recruit an Administrator. Expecting to take 3 to 6 months to find a replacement.

**C. Rules** - Lewis Littlehales

Two notices of rulemaking have been prepared in July. One rulemaking relates to life insurance sales to military personnel pursuant to Federal Law. Must be adopted by September 30, 2007. A hearing is scheduled for September 6. The second notice relates to:

**HB3484** - Assessment of annuity premium to fund regulatory operations.

Upcoming health insurance rulemakings include:

**HB2213** - Creates transparency by requiring insurer to provide enrollee with a reasonable estimate of average costs for in-network procedures.

**HB2002** - Expands the small employer group pool to include businesses up to 50 employees, thus strengthening the health insurance marketplace for small businesses.

**HB 3321** - Exempts health benefit plans issued to a small employer through an association health plan from small employer group plan statutes.

Life Insurance:

**SB 191**- Allows consumers to benefit from the Federal Long Term Care Insurance Partnership Act. The rulemaking notice will be filed by August 15, with a hearing at the end of September.

Rulemakings later in the fall:

**HB2221** - Medical Discount Plans- Bill becomes operative June 1, 2008.

**HB3386** - Vehicle Protection Products warranties – Bill becomes operative July 2008.

**D. Publications** - Lorna White (for John Piper)

Brochures will be updated per the legislative session changes in 2007.

**E. Consumer Outreach** - Lorna W

Consumers need to know the consumer advocacy unit is there to help. Consumer advocacy representatives are visiting many Oregon locations with other agencies to get the word out about our services and provide brochures and flyers. We are working with SHIBA to make sure flyers aren't being made by both the Insurance Division and SHIBA covering the same topics. A hot topic right now is Gap insurance. Other topics include SB1, and the Senior Emphasis Program.

Ron mentioned that consumer advocates have done some interviews on the radio. He asked if there were any other topics the Insurance Advisory Committee would like taken out to the community? Yani has done radio programs in Spanish.

**Question:** How do you think the complaint process is working?

Ron said the Division gets pretty good cooperation from companies. Most companies take complaints very seriously when they get them.

**II. Property & Casualty Update** - Joyce Patton

It's been a very busy and successful legislative session.

**SB 183** - Rural medical malpractice bill was effective June 25 & extends the program until 2011. SAIF must submit its draft modified plan based on the new legislation to the Director of DCBS and the Office of Rural Health by September 30.

**HB 2751** - Effective May 30 – Makes it easier for admitted insurers to write group liability policies for construction contractors.

**HB 2654** - Effective January 1 – Requires contractors to obtain products and completed operations liability insurance coverage. Also requires a contractor who constructs a new residential structure to offer a warranty.

**SB 523** - Effective January 1 - Requires an improved notice to consumers of their rights under motor vehicle insurance policies when they take their car to an auto body shop for collision repair.

**HB 2908** - Effective January 1- Allows someone injured by a motor vehicle of a public body to recover from the person's own uninsured motorist coverage when the person suffers damages greater than the Oregon Tort Claims Act limits.

**HB 3086** - Governor signed on July 17- Requires a policy to provide liability coverage for each family member of the insured living in the same household in an amount equal to the amount of coverage purchased by the insured. It also requires the uninsured motorist coverage in a motor vehicle liability policy to cover the

difference between the proceeds received from a public body under the Oregon Tort Claims Act and the amount of loss up to the policy limits.

**HB 255** - Effective January 1- Oregon Trial Lawyers Association bill that amends existing law to ensure that when an injured person brings litigation to recover damages from an auto accident, the injured person's auto insurer will pay its share of legal costs for recovery of Personal Injury Protection benefits from the insurer of the person at fault.

**HB 3386** - Vehicle theft protection products– Effective January 1- Regulates warranties for vehicle theft protection products and services, e.g., car alarms, steering wheel locks, tracking systems, etc.

### **III. Health & Life Update** - Carolyn Hancock & Lewis Littlehales–A busy and exciting session.

#### **Health Legislation** - Carolyn Hancock

**HB 2213** - Governor's Transparency bill- This bill requires health insurers to provide consumers with advance estimates of how much they will pay for medical treatment.

**HB 2002** - Small group reform – Strengthens the health insurance marketplace for Oregon's small businesses by expanding the pool of businesses from 2-25 up to 50 employees. An advisory committee is meeting weekly and temporary rulemaking should begin in August.

**HB 3103** - Requires rate filings for individual, portability, and small employer group health benefit plans to be made accessible to the public. The Division will post findings on its Web site.

**HB 3321** - Exempts health benefit plans issued to a small employer group through an association health plan from the statutes governing small employer group plans. The bill requires DCBS to monitor association health plan data and report the findings back to the legislature.

#### **Life Legislation** - Lewis Littlehales

**SB 191**- 1.) Enables consumers to benefit from recent federal legislation (the Long Term Care Partnership Act) by permitting those with long term care insurance to access Medicaid services once policy benefits are exhausted without having to spend down their assets, and 2.) establishes specific training requirements for insurance producers that sell long term care policies.

**HB 2224** - Interstate Compact Bill- Streamlines the review of life, annuity and disability policy forms that have already been approved under consumer protection standards established by the Interstate Insurance Product Regulation Commission.

**HB 3484** - Allows assessment of annuity premium. Also reduces the requirement for the minimum number of people to be insured under a group life insurance policy to two lives.

**SB 257** - Makes variable annuities subject to State securities regulation.

#### **Broader Health Reform** - Cory Streisinger

**SB 329** - This is bigger than just insurance. Senators Bates and Westlund brought this bill forward. The first task is working on some type of insurance exchange for uninsured/underinsured, small groups or individuals and sets up framework for universal coverage.

Barney Speight will head up the Oregon Health Fund Board. Appointments to the Board will be announced by the Governor in September. The DCBS focus will be on insurance related issues, e.g., HIPAA, ERISA, and transparency.

**Division of State Lands** - (unclaimed property section) hold date changing, 3 years instead of 5.

**IV.** Suggestions for October agenda items include: total losses, how health insurance reform may be hurting Oregon employers, and legislative update on bills discussed today.

**V. Meeting adjourned** at 10:05 AM.

The next meeting is on October 23, 2007 in Basement conference room F.