

# **INSURANCE ADVISORY COMMITTEE MEETING MINUTES**

## **July 26, 2005**

**Committee Members Present:** Justin Delaney, Shannon Callahan, Laura Cooper, Krista Fisher, Lisa Trussell

**Committee Members Absent:** Jim Davis, Richard Kingsley, Dean Kortge, John Powell

**Insurance Division Staff Present:** Joel Ario, David Ball, Shelley Bain, Nancy Boysen, Lewis Littlehales, Michael Morter, Carol Simila, Carmen Mendiola, Cece Newell

**Others Present:** Lana Butterfield, Toni Chodrick, Muriel Dittler, Mark Jungvirt, Pam Jodock, Tom Jovick, Nancy Nevins, Tim Stuman

### **I Division Update**

#### **A. Administrator – Joel Ario, OID**

Mr. Ario reported that the Legislative session has slowed down. The Legislature passed four of the five Insurance Divisions bills. The Division will be doing rulemaking for the homeowners bill and SB501 dealing with health premium rate transparency.

Long-term care continues to be a major agenda item. Long-term care is also on the DHS agenda as the State is looking at ways to promote LTC and ease the cost to the Medicaid program.

The Division continues to have discussions in conjunction with the NAIC concerning the national scandals of company and broker issue and State vs. Federal regulation and the SMART Act.

#### **B. Rules – Lewis Littlehales, OID**

Mr. Littlehales reported that the Producer rules become effective August 1, 2005.

The proposed rules include:

1. Medicare supplement insurance
2. Annual statements
3. Securities on domestic companies.

#### **C. Publications – Carol Simila, OID**

Ms. Simila reported that the Insurance Division's annual 2004 complaint report part 2, and the complaint index report are now available on our website. Hardcopies will be available the first week of August. Additionally, the Senior Health Insurance Benefit Assistance (SHIBA) program has moved to OMIP.

### **II. Property & Casualty Insurance Issues**

#### **A. Legislative overview – Michael Morter, OID**

Mr. Morter reported that five bills introduced by the Insurance Division have passed through the Legislature. The following bills will be effective January 2006.

1. Homeowner bill;
2. SB 462 healthcare service contractors bill;
3. HB 2092 charitable gift annuity bill; and

4. HB 2160 the Division's technical bill.

Property and Casualty bills include:

1. SB 151;
  2. SB 585;
  3. HB 2078 professional contractor bill;
  4. SB 207 restricts use of electronic cancellations;
  5. HB 2719 changes commercial cancellations from 30 days to 45 days;
- and
6. Credit scoring, when a death or divorce in household occurs, no new scoring is allowed.

B. Division's post-legislative ongoing agenda

Mr. Morter gave an overview of the Division's post-legislative ongoing agenda which includes:

1. Private passenger auto policy and other states minimum limits on bodily injury;
2. Credit property insurance;
3. The assigned risk pool study under workers' compensation;
4. Total loss; and
5. Rating factors used in P&C for education and economic standings.

C. Contractor liability and other hard markets – Cece Newell, OID

Ms. Newell gave an update on the Contractors' Market. The market shows some improvements, and a HB2078 task force has been formed. The Contractors' Board website shows a consistent number of hits by contractors

Ms. Newell also reported that the adult foster care market has two new markets available:

1. Lloyds of London; and
2. PCH Mutual risk retention group.

Ms. Newell reported on other areas of interest including:

1. The liquor liability market and reported that the market is being watched closely.
2. Two carriers, Red Shield Insurance and the Oregon Fair Plans, are writing floating homes policies;
3. A Meth task force, under the Governor's directions, has been established. The task force is forming a meth house rehabilitation action group; first meeting is scheduled for next week.

D. Workers compensation insurance issues – Joel Ario, OID

Mr. Ario reported that the Assigned Risk Pool Study internal committee is working on assigned risk pool study under workers compensation.

### **III. Health & Life Insurance Issues**

#### **A. Legislative overview – Shelley Bain, OID**

Ms. Bain gave an overview of Health bills that passed this session:

1. HB 2772 the associations bill supported by the Realtors' association;
2. SB 117 The health care tax credit bill;
3. SB 501 transparency; and
4. SB 1 Mental Health Parity;

#### **B. Division's post-legislative agenda – Shelley Bain, OID**

Ms. Bain gave an overview of the Division's post-legislative ongoing agenda for health which includes:

1. Issuance of a Bulletin to clarify the Insurance Division position on association plans in Oregon;
2. Long-term care rules;
3. Health discount plans; and
4. SB 501 rulemaking;

#### **C. Health plan comparison chart – David Ball, OID**

Mr. Ball provided a handout of a Health Comparison Chart draft and asked for any input from the Committee on ways to improve the chart. He will send out definition of each chart column to all attendees.

### **IV. Consumer outreach and involvement – Carol Simila, OID**

Ms. Simila provided an overview of the Division's Consumer Liaison position. The Consumer Liaison gives presentations and workshops on consumer rights and works to ensure consumer involvement and input to insurance regulation.

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

- Marsh follow-up
- Identify theft
- Fake insurance
- Long-term care task force
- Market Conduct exam updates

**Meeting Adjourned at 11 AM**