

MINUTES

COMMITTEE: COMMERCE

DATE: Tuesday, April 17, 1973

MEMBERS PRESENT: Chairman Prince, Messrs Wittenberg, Capurro, Demers, Torvinen and Dini

MEMBERS ABSENT: Messrs Robinson, Bickerstaff, Hafen

GUESTS: Gene Milligan, Nevada Association of Realtors
Milos Terzich, American Life Insurance Assoc.
Dr. Richard Rottman, Insurance Commissioner

Chairman Prince called the meeting to order at 5:00 on Tuesday, April 17.

The first bill to be considered was AB 923, amends Nevada Plumbing Law. Chairman Prince stated that there had been a great deal of testimony that showed that there was need for this bill.

Mr. Capurro moved to "Do Pass" and Mr. Demers seconded the motion. Messrs Prince, Wittenberg, Capurro, and Demers voted yes and Mr. Torvinen voted no. Mr. Dini had not yet arrived.

SB 539, creates Insurance Holding Company Law. Mr. Terzich representing American Life Insurance Association stated that his association fully supports this bill. It passed the Commerce Labor Committee in the Senate and was re-referred to the Judiciary where it was also given "do pass" recommendation and then passed the Senate with only one dissenting vote.

This bill effects domestic companies as there are presently no regulations of holding companies for this state. Passage of this would allow domestic companies to do business in this state less expensively. He cited the situation of Ben Dasher President of Universe Life Insurance Co. who has to register his company in 14 different states since Nevada does not have a holding company law. There are 40 States that have such a law. This bill would give the Insurance Commissioner control over holding companies and prevent the siphoning of funds out to the detriment of a company.

Dr. Rottman of the Insurance Department stated that he felt that this was a good bill and that it was an NAIC model bill. It gives more control over holding companies and precludes the federal government from entering into the insurance area.

Mr. Torvinen asked if this bill would control things such as the Great Basin case to which Dr. Rottman replied that it would provide the machinery but it still would take enforcement. It would give Insurance Commissioner the power of examination which is necessary for control.

Mr. Wittenberg then asked Dr. Rottman his views on SB 551, enacts the Nevada Health Maintenance Organization Act (HMO) which will be in committee very shortly. Dr. Rottman stated he thought that it was by in large a good bill. It too was a model bill by NAIC. He felt that there should be some jurisdiction over HMO as this type of medical care can be very good for the people but it can also hurt them rather severely. With the rising cost of medical care we are going to get all sorts of plans and there should be some jurisdiction over them.

Mr. Torvinen stated that he felt that HMO was just another form of insurance and should already be regulated. Dr. Rottman said that he felt that way but the Attorney General said that it was not.

SB 581, amends unemployment compensation law with respect to employer contributions and disqualification for benefits. Mr. Torvinen said that he felt that this was just a watered down version of AB 692 which they have already passed. Mr. Capurro moved to indefinitely postpone and Mr. Wittenberg seconded the motion. Messrs Torvinen, Prince, Wittenberg, Capurro and Demers voted yes and Mr. Dini voted no.

SB 444, Mr. Demers moved to "Do pass" and Mr. Capurro seconded the motion. Messrs Torvinen, Demers, Wittenberg, Capurro and Dini voted yes and Mr. Prince voted no.

AB 935, Mr. Demers moved to "Do Pass as Amended" and Mr. Capurro seconded the motion. The vote was unanimous. Mr. Demers will get the amendments for this bill.

SB 103, Mr. Wittenberg moved to indefinitely postpone and Mr. Demers seconded the motion. They all voted yes with the exception of Mr. Torvinen who was not voting. The committee felt that although the bill had merit they should wait for action of this type until they could see whether the federal regulations would solve the problem.

SB 539, Mr. Capurro moved that the committee "do pass" and Mr. Demers seconded the motion. The vote was unanimous for the motion.

Mr. Demers moved that meeting be adjourned and Mr. Wittenberg seconded the motion. Chairman Prince adjourned the meeting at 6:15.

Respectfully submitted

Sandee Gagnier,
Assembly Attache