

Date: April 21, 1975

MEMBERS PRESENT: Chairman Bennett
Vice-Chairman Christensen
Mr. Lowman
Mr. Murphy
Mr. Craddock
Mr. Vergiels
Mrs. Ford
Mr. Mann
Mr. Barengo

MEMBERS ABSENT: None

GUESTS: W. LaBadie, Welfare
Minor Kelso, Welfare
Jenene Harter, Chiropractic Assn.
Len Fitzgerald, United Transportation Union
F. DeArmand Sharp, Independent Order of Foresters
Dave Byington, Nev. State Assn. of Life Underwriters
Arland Conner, " " " " " "
Larry I. Hardy, No. Nev. Assn. of Life Underwriters

Chairman Bennett called the meeting to order at 3:15 p.m., and stated that Assemblyman Bob Benkovich would speak on AJR-32.

Mr. Benkovich said that all of the arguments are contained in the resolution and he saw no reason for repeating them. AJR-32 doesn't back any particular plan, but just backs the general concept of national health insurance. Only one-quarter of Nevadans do have this type of coverage now.

Mr. Mann asked if this idea was plausible under the circumstances with the economy being in its present condition. Mr. Benkovich said that Congress would have to structure it someday, and AJR-32 only asks that Congress do something. He is only trying to help the average income family in Nevada.

Mrs. Ford asked if plan included dental care. Mr. Benkovich said that some of the plans did and some did not. This is not specified in AJR-32 because rather than be specific they are just asking for health insurance.

The next bill to be discussed was AB-579. Mr. LaBodie of the Welfare Department stated this bill was introduced at the request of the Counsel Bureau as a result of their last audit. It is also required under Federal law. They have these advisory committees at the present time.

Minor Kelso, Title XIX, Medical Services, Welfare Department, stated that the advisory committees have been functioning within the welfare division for five years. They get some of their best advice from the committees as the members represent leadership throughout the medical field. They have been fortunate in obtaining outstanding people on these committees.

Mrs. Ford asked how much money was budgeted for these committees. Mr. Kelso said they only receive per diem and subsistence. There is no fiscal note attached to this. In his judgment it only costs about \$2000 a year and this is already in the budget.

The next bill to be discussed was AB-650.

Mr. Sharp, an attorney from Reno, Nevada, representing the International Order of Foresters, was the first speaker in opposition to AB-650. He stated they were one of the many fraternal organizations that write insurance. The specific proposal in this bill is to change the provisions of the fraternal part of the insurance code to require fraternal agents to take examinations the same that applicants for health or life insurance take. The fraternal section of the insurance code was adopted in 1971 and was based on the 1962 model bill approved by National Association of Insurance Commissioners and the National Fraternal Congress. They see no reason to change this statute which has only been around for four years.

The effect of this change is to equate regular insurance agents and fraternal agents, and this is not right. Fraternal organizations have to meet several requirements - one, it must be conducted solely for the benefit of its members and not for profit; two, it must operate on a large system of ritualistic work; and three, it must operate on a representative form of government. Fraternal organizations can only sell to their members. Fraternal do many things and are not primarily engaged in the sale of insurance.

When an applicant from a fraternal comes in to be licensed, there must be a certificate by the society which states that the applicant is trustworthy and competent. Applicants for general insurance do not have to furnish that sort of a certificate. The insurance commissioner can revoke the right of the fraternal to write insurance if the applicant is not trustworthy and competent. Fraternal also have an extensive training program for their agents.

Arland Conner, President of the State Association of Life Underwriters, and Dave Byington, Legislative Representative for the State Association of Life Underwriters, appeared in support of AB-650.

Mr. Conner read a letter to the Committee stating the Underwriters position. A copy of such letter is attached hereto and made a part of these Minutes. He further stated that the average size life insurance policy written by Metropolitan in 1973, is \$9,098, by Prudential is \$11,712. The Independent Order of Foresters had an average size policy of \$12,880. The Lutheran Brotherhood had \$12,412. It is obvious that the fraternalists are no longer writing the burial type policy. Their policies are fully as large as many insurance companies. Fraternalists should therefore be as well qualified and that they prove they are qualified through the means of testing and continuing education as regular insurance agents have to do.

Mr. Mann asked if there was any evidence that the fraternalists had ever ripped off anyone. Mr. Conner said he was not prepared to testify to that. Mr. Byington said anyone would be reluctant to admit that they had been ripped off.

Mr. Conner said that the insurance laws have been strengthened by a continued education program for insurance agents and a step-licensing program. He feels that the fraternalists should have the same rules apply to them and take an examination as other people in the business do. In answer to questioning by Mr. Mann, Mr. Byington stated that the fraternalists sign up members and sell policies at the same time, and that they recruit members so they can sell insurance. They feel that the insurance buying public should be protected by having well qualified, competent advisors, and do not think a certificate from an organization necessarily makes a person competent. Everybody who is selling insurance should be qualified and everyone required to take an examination.

Mr. Len Fitzgerald, representing the United Transportation Union, was the next speaker in opposition to AB-650. They have within their union an insurance association for the benefit of their members. To his knowledge, in 35 years in their fraternal benefit association there has never been a complaint made to the insurance commissioner. Their premiums are lower, and the insurance association was formed because nobody wanted to insure their members. His Union does not make a living selling insurance; they pass the benefits or surplus money on to their members in cheaper premiums.

In answer to questions by Mr. Lowman, Mr. Fitzgerald said their insurance association was certainly under the jurisdiction of the Nevada Insurance Commissioner even though they were not headquartered in this State. He also stated that did not use the insurance as a promotion to get members. They get members and if they want insurance they will sell it to them. They don't care whether they buy it or not.

Mr. Bennett then asked for additional testimony on AB-534 which was originally heard on April 9th.

239

Jeneane Harter of the Chiropractic Association said she was now prepared to answer the question as to whether there were any other states which have chiropractic in their SAMI program. The answer is that there are 24 other states who do. SAMI is financed 50% by the State and 50% by the Federal Government. It is set up on a relative value scale. For the medical profession the fee is \$8.30 per point. There are different fee schedules for each profession. She had spoken to chiropractors in Washington and California and discussed their fee schedules and how the program was working. She also spoke of their excellent record with NIC and felt it would be the same with the State.

After discussion of various bills, the Committee took the following action: (See Legislation Action Sheets attached for detail)

AB-650: To be rescheduled for further hearing to allow more witnesses to appear.

AJR-32: Do Pass. 8 ayes and 1 no.

AB-579: Do Pass. Unanimous.

AB-534: Do Pass. Unanimous.

SB-91: Do Pass. Unanimous.

SB-204: Do Pass. Unanimous.

The meeting was adjourned at 4:15 p.m.

Respectfully submitted,

Jane Dunne, Secretary

ASSEMBLY
AGENDA
HEARING

COMMITTEE ON HEALTH AND WELFARE
Monday
Date April 21, 1975 Time 3:00 p.m. Room 240

235

Bill or Resolution
to be considered

Subject

Do Pass AJR-32

Memorializes Congress to develop and enact a national health insurance plan.

Do Pass AB-579

Creates medical care advisory group within the welfare division of department of human resources.

To be rescheduled to further hearing AB-650

Strengthens licensing requirement for certain insurance agents.



STATE ASSOCIATION OF LIFE UNDERWRITERS, INC.

240

April 21, 1975

TO: HEALTH & WELFARE COMMITTEE

Fraternal insurance in the United States has grown from 12 billion dollars in force in 1963* to more than 30 billion of insurance in force in 1973.** The increase from 1972 to 1973 was 2.3 billion dollars.

Fraternal insurance companies are no longer selling burial policies. In fact one of these companies will retain on one life up to \$350,000.00 of life insurance. Because of these high limits of insurance being written by fraternal agents, 20 states presently require an examination and full licensing requirements. Among these states are: Oregon, Idaho, Arizona, and California (all states bordering Nevada).

The State of Nevada has an Insurance Department to guarantee protection for the insurance consumers of the State of Nevada. Yet, a large number of consumers have their financial planning handled by an agent who has not met the State's minimum licensing requirements.

It is the belief of the 300 members of the State Association of Life Underwriters that the purchaser of fraternal life insurance should have the same protection as any other purchaser of life insurance. We believe that fraternal insurance agents should be required to meet all of the requirements outlined under NRS 683A.130; 683A.150; and 683A.170. We therefore support the passage of AB 650.

Respectfully submitted,

A handwritten signature in cursive script that reads "Arland Conner".

Arland R. Conner, CLU
President,
State Association of
Life Underwriters

* Best Insurance Report 1973.

** Life Insurance Fact Book 1974.

LICENSE	AGENTS	TYPE OF POLICIES	LIFE INSURANCE IN FORCE 1973 (thousands)	MAXIMUM POLICY	
Aid Association for Lutherans	All States Dist of Columbia	1,100	Ord. Life Decreasing Term Accident & Health July 1, 1970	6,422,490 A & H Prem \$6,310	\$350,000
Luthern Brotherhood	All States	1,000	Ord. Life Level Term Decreasing Term Family Income Single Premium & deferred Annuities Accident & Health	5,283,117	\$250,000
Indepent Order of Foresters-Canada	45 States Dist. of Columbia	not available	Ord. Life Accident & Health Hospital	5,795,402	\$100,000
Knights of Columbus	50 States Dist of Columbia Puerto Rico Canada	550	Ord. Life	2,430,755	Not Available

Reference - Best Insurance Reports - 1974 ed.

Aid Association	pg 17
Lutheran	pg 97 ¹ / ₄
Foresters	pg 797
K of C	pg 885

58TH NEVADA LEGISLATURE

HEALTH AND WELFARE COMMITTEE
LEGISLATION ACTION

242

DATE April 21, 1975

SUBJECT AJR-32

MOTION: _____

Do Pass Amend _____ Indefinitely Postpone _____ Reconsiderer _____

Moved By Mr. Murphy Seconded By Mr. Vergiels

AMENDMENT _____

Moved By _____ Seconded By _____

AMENDMENT _____

Moved By _____ Seconded By _____

VOTE:	MOTION		AMEND		AMEND	
	Yes	No	Yes	No	Yes	No
Bennett	x	—	—	—	—	—
Christensen	x	—	—	—	—	—
Barengo	x	—	—	—	—	—
Craddock	x	—	—	—	—	—
Mann	—	x	—	—	—	—
Murphy	x	—	—	—	—	—
Vergiels	x	—	—	—	—	—
Ford	x	—	—	—	—	—
Lowman	x	—	—	—	—	—

TALLY: 8 . 1

Original Motion: Passed Defeated _____ Withdrawn _____

Amended & Passed _____ Amended & Defeated _____

Amended & Passed _____ Amended & Defeated _____

Attach to Minutes 4-21-75

Date

58TH NEVADA LEGISLATURE

HEALTH AND WELFARE COMMITTEE
LEGISLATION ACTION

DATE April 21, 1975

SUBJECT AB-579

MOTION: _____

Do Pass Amend _____ Indefinitely Postpone _____ Reconsider _____

Moved By Mr. Christensen Seconded By Mr. Craddock

AMENDMENT _____

Moved By _____ Seconded By _____

AMENDMENT _____

Moved By _____ Seconded By _____

VOTE:	MOTION		AMEND		AMEND	
	Yes	No	Yes	No	Yes	No
Bennett	<u>x</u>	—	—	—	—	—
Christensen	<u>x</u>	—	—	—	—	—
Barengo	<u>x</u>	—	—	—	—	—
Craddock	<u>x</u>	—	—	—	—	—
Mann	<u>x</u>	—	—	—	—	—
Murphy	<u>x</u>	—	—	—	—	—
Vergiels	<u>x</u>	—	—	—	—	—
Ford	<u>x</u>	—	—	—	—	—
Lowman	<u>x</u>	—	—	—	—	—

TALLY: 9 0

Original Motion: Passed Defeated _____ Withdrawn _____

Amended & Passed _____ Amended & Defeated _____

Amended & Passed _____ Amended & Defeated _____

Attach to Minutes 4-21-75
Date

58TH NEVADA LEGISLATURE

HEALTH AND WELFARE COMMITTEE
LEGISLATION ACTION

DATE April 21, 1975

SUBJECT AB-534

MOTION: _____

Do Pass x Amend _____ Indefinitely Postpone _____ Reconsider _____

Moved By Mr. Craddock Seconded By Mr. Vergiels

AMENDMENT _____

Moved By _____ Seconded By _____

AMENDMENT _____

Moved By _____ Seconded By _____

<u>VOTE:</u>	<u>MOTION</u>		<u>AMEND</u>		<u>AMEND</u>	
	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
Bennett	<u>x</u>	_____	_____	_____	_____	_____
Christensen	<u>x</u>	_____	_____	_____	_____	_____
Barengo	<u>x</u>	_____	_____	_____	_____	_____
Craddock	<u>x</u>	_____	_____	_____	_____	_____
Mann	<u>x</u>	_____	_____	_____	_____	_____
Murphy	<u>x</u>	_____	_____	_____	_____	_____
Vergiels	<u>x</u>	_____	_____	_____	_____	_____
Ford	<u>x</u>	_____	_____	_____	_____	_____
Lowman	<u>x</u>	_____	_____	_____	_____	_____

TALLY: 9 0

Original Motion: Passed x Defeated _____ Withdrawn _____
Amended & Passed _____ Amended & Defeated _____
Amended & Passed _____ Amended & Defeated _____

Attach to Minutes 4-21-75
Date

58TH NEVADA LEGISLATURE

HEALTH AND WELFARE COMMITTEE
LEGISLATION ACTION

DATE April 21, 1975

SUBJECT SB-91

MOTION: _____

Do Pass Amend _____ Indefinitely Postpone _____ Reconsider _____

Moved By Mr. Barengo Seconded By Vergiels

AMENDMENT _____

Moved By _____ Seconded By _____

AMENDMENT _____

Moved By _____ Seconded By _____

VOTE:	MOTION		AMEND		AMEND	
	Yes	No	Yes	No	Yes	No
Bennett	<u>x</u>	---	---	---	---	---
Christensen	<u>x</u>	---	---	---	---	---
Barengo	<u>x</u>	---	---	---	---	---
Craddock	<u>x</u>	---	---	---	---	---
Mann	<u>x</u>	---	---	---	---	---
Murphy	<u>x</u>	---	---	---	---	---
Vergiels	<u>x</u>	---	---	---	---	---
Ford	<u>x</u>	---	---	---	---	---
Lowman	<u>x</u>	---	---	---	---	---

TALLY: 9 . 0

Original Motion: Passed Defeated _____ Withdrawn _____

Amended & Passed _____ Amended & Defeated _____

Amended & Passed _____ Amended & Defeated _____

Attach to Minutes 4-21-75
Date

58TH NEVADA LEGISLATURE

HEALTH AND WELFARE COMMITTEE
LEGISLATION ACTION

DATE April 21, 1975

SUBJECT SB-204

MOTION: _____

Do Pass XX Amend _____ Indefinitely Postpone _____ Reconsider _____

Moved By Mr. Mann Seconded By Mr. Vergiels

AMENDMENT _____

Moved By _____ Seconded By _____

AMENDMENT _____

Moved By _____ Seconded By _____

VOTE:	MOTION		AMEND		AMEND	
	Yes	No	Yes	No	Yes	No
Bennett	<u>x</u>	---	---	---	---	---
Christensen	<u>x</u>	---	---	---	---	---
Barengo	<u>x</u>	---	---	---	---	---
Craddock	<u>x</u>	---	---	---	---	---
Mann	<u>x</u>	---	---	---	---	---
Murphy	<u>x</u>	---	---	---	---	---
Vergiels	<u>x</u>	---	---	---	---	---
Ford	<u>x</u>	---	---	---	---	---
Lowman	<u>x</u>	---	---	---	---	---

TALLY: 9 . 0

Original Motion: Passed x Defeated _____ Withdrawn _____

Amended & Passed _____ Amended & Defeated _____

Amended & Passed _____ Amended & Defeated _____

Attach to Minutes 4-21-75
Date

April 14, 1975

Mr. Bennett:

2

Following are bills we have heard on which no action has been taken:

AB-51 Lowman's non-smoking bill.

AB-146 Requiring nurse's disciplinary hearing. (We were holding for a letter from the D.A.)

SB-258 Regarding complaints against chiropractors. (Jeneane Harter was to come back with additional information from someone.)

SB-204 Defining "Pharmaceutical technician". (Mr. Barengo wanted more information from George Bennett. Mr. Bennett tells me he gave it to him.)

SB-261 Rehearing for chiropractor when license suspended. (~~xxxxxxx~~ Deputy DA Isaeff was to come before Committee - he had already sent a letter)

SB-91 Extends health & care facilities. ~~xx~~

AB-534 Includes chiropractic in aid to medically indigent.

Just a summary for your information.

Jane