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TESTIMONY - AB 194  
ASSEMBLY COMMERCE AND LABOR COMMITTEE  
Wednesday, March 05, 2003

GOOD AFTERNOON MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. FOR THE RECORD MY NAME IS LARRY SPITLER AND I'M THE ASSOCIATE STATE DIRECTOR FOR ADVOCACY AT AARP NEVADA.

AARP IS A NONPROFIT, NONPARTISAN MEMBERSHIP ORGANIZATION DEDICATED TO MAKING LIFE BETTER FOR PEOPLE 50 AND OVER. WE PROVIDE INFORMATION AND RESOURCES; ENGAGE IN LEGISLATIVE, REGULATORY AND LEGAL ADVOCACY; ASSIST MEMBERS IN SERVING THEIR COMMUNITIES; AND OFFER A WIDE RANGE OF UNIQUE BENEFITS, SPECIAL PRODUCTS, AND SERVICES FOR OUR MEMBERS. IN NEVADA WE HAVE OVER 258,000 MEMBERS.

WE ARE HERE TODAY TO LEND GENERAL SUPPORT TO AB 194 AND TO INDICATE THAT IT SEEMS TO MERIT A GREAT DEAL MORE CONTINUED STUDY. INSURANCE IS NECESSARY TO PROTECT CONSUMERS AGAINST DEVASTATING PERSONAL OR PROPERTY LOSSES, AND THEREFORE IT SHOULD BE STRUCTURED TO BE REASONABLY AFFORDABLE AND AVAILABLE TO THOSE WHO NEED IT. CONGRESS AND THE STATES SHOULD PROHIBIT INSURANCE COMPANIES FROM DENYING ACCESS TO COVERAGE TO ANYONE, PARTICULARLY PERSONS WITH DISABILITIES, PREEXISTING CONDITIONS OR CHRONIC ILLNESSES. TO MEET THIS NEED AARP SUPPORTS RESEARCH TO ESTABLISH RISK-CLASSIFICATION SYSTEMS THAT ACCURATELY AND FAIRLY REFLECT THE RISKS ASSOCIATED THE INDIVIDUAL CHARACTERISTICS OF EACH INSURED PERSON.

ASSEMBLY COMMERCE & LABOR

DATE: 3/5/03 ROOM: 4100 EXHIBIT K

SUBMITTED BY: LARRY SPITLER

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NOT KNOWING IF ALL THE INFORMATION CONTAINED WITHIN A SPECIFIC CONSUMER REPORT BEING REVIEWED BY AN INSURANCE COMPANY TO DETERMINE ENROLLMENT, CANCELLATION OR PREMIUM INCREASE IS, IN FACT, DIRECTLY RELATED TO AN INDIVIDUAL'S ABILITY TO BE A GOOD CUSTOMER TO THE COMPANY DOESN'T SEEM TO HAVE BEEN DEMONSTRATED - AT LEAST NOT TODAY. AN APPLICANT MIGHT, FOR EXAMPLE, HAVE HAD PROBLEMS PAYING SOME BILLS, BUT NOT MISSED ANY PAYMENTS PAYING INSURANCE PREMIUMS IN THE PAST, AND COULD THEN BE DENIED ON CONDITIONS NOT DIRECTLY APPLICABLE TO THE ISSUE AT HAND. THEREFORE, IT WOULD SEEM THAT OTHER CRITERIA, AND NOT WHAT SEEMS TO BE A VAGUE INTERPRETATION OF A CONSUMER REPORT, MIGHT BE MORE APPROPRIATE FOR A COMPANY TO DETERMINE REASONS TO ACCEPT, DENY, RAISE PREMIUMS OR CANCEL A CUSTOMER OR APPLICANT.

WE'VE SEEN NO COMPELLING EVIDENCE TODAY THAT A REVIEW OF ALL THE INFORMATION CONTAINED IN AN APPLICANT'S CONSUMER REPORT INDICATES THAT INDIVIDUAL AS A PERSON WHO SHOULD BE ACCEPTED OR DENIED.

THANK YOU FOR OPPORTUNITY TO SHARE THESE THOUGHTS WITH YOU TODAY.