

**MINUTES OF THE
BUSINESS AND LABOR INTERIM COMMITTEE**

Wednesday, October 18, 2006 – 2:00 p.m. – Room W125 House Building

Members Present:

Sen. Scott K. Jenkins, Senate Chair
Rep. Stephen D. Clark, House Chair
Sen. Gene Davis
Sen. Ed Mayne
Sen. Michael G. Waddoups
Rep. Jackie Biskupski
Rep. David Clark
Rep. James A. Dunnigan
Rep. Ben C. Ferry
Rep. Craig A. Frank
Rep. Neil A. Hansen
Rep. Todd E. Kiser
Rep. Curtis Oda
Rep. Gordon E. Snow

Members Absent:

Sen. Thomas V. Hatch
Sen. John W. Hickman
Rep. J. Stuart Adams
Rep. Carl W. Duckworth
Rep. Michael T. Morley
Rep. Scott L. Wyatt

Staff Present:

Ms. Allison Morgan, Policy Analyst
Ms. Patricia Owen, Associate General Counsel
Ms. Phalin L. Flowers, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Clark called the meeting to order at 2:14 p.m. Rep. Duckworth and Rep. Morley were excused from the meeting.

MOTION: Rep. D. Clark moved to approve the minutes of the September 20, 2006 meeting. The motion passed unanimously with Sen. Davis and Rep. Hansen absent for the vote.

2. Draft Legislation: Workers' Compensation Fund - Board Amendments

Rep. David Clark introduced 2007 General Session draft legislation, "Workers' Compensation Fund - Board Amendments," which changes how board members of the Workers' Compensation Fund are paid, and modifies how terms of board members are staggered.

Mr. Dennis Lloyd, Senior Vice President and General Counsel, and Mr. Lane Summerhays, President and CEO, Workers' Compensation Fund, discussed the draft legislation.

MOTION: Sen. Mayne moved to favorably recommend 2007 General Session draft legislation, "Workers' Compensation Fund - Board Amendments." The motion passed with Rep. Snow voting in opposition and Sen. Waddoups, Rep. Biskupski, Rep. Ferry, and Rep. Kiser absent for the vote.

3. Draft Legislation: Professional Employer Organization Related Amendments

Mr. Scott DiBiasio, Assistant Director of Government Affairs, National Association of Professional Employer Organizations, explained the purpose of Professional Employer Organizations. He discussed 2007 General Session draft legislation, "Professional Employer Organization Related Amendments," which was mailed to committee members prior to the meeting.

Mr. Robert Gross, President, Blue Healthcare Services, distributed and discussed "Remarks to the Utah Legislative Business and Labor Committee." He explained the purpose of the ESAC (Employer Services Assurance Corporation), of which he is a member of the Board of Directors, and how the draft legislation could involve the ESAC. He requested that the Committee favorably recommend the legislation.

Mr. Craig Jackson, Director, DOPL (Division of Occupational and Professional Licensing), agreed with the comments of Mr. DiBiasio and Mr. Gross. He committed to revise the registration fee currently charged by DOPL, and discussed the third party certification process in the bill.

Mr. Thad Levar, Deputy Director, Department of Commerce, distributed and discussed an amendment to the draft legislation. He explained that the amending language would modify the definition of an assurance organization to enforce standards that are equal to or greater than the current statute.

The Committee moved to the next agenda item, but returned to this item later in the meeting to take action.

4. Insurer Receivership Act

Ms. Owen explained the process that the involved parties are using to develop a working draft of the Insurer Receivership Act for Utah.

Mr. Kent Michie, Commissioner, Department of Insurance, gave background information on the IRMA (National Association of Insurance Commissioners' Insurer Receivership Model Act). He explained that more information was available in a memo "Utah Insurer Receivership Act" and a document titled "The NAIC Insurer Receivership Model Act History and Overview," which were mailed to committee members prior to the meeting.

Rep. Dunnigan asked those who were interested in joining a work group on the Insurer Receivership Act to sign a sheet that was distributed. He said a draft bill would be emailed to any interested individuals in the future.

Ms. Barbara Cox, Vice President - Regulatory Affairs, Corporate Secretary, and Assistant General Counsel, National Conference of Insurance Guaranty Funds, distributed and discussed "The Insurer Receivership Model Act (IRMA) in Utah" and a letter from the American Insurance Association. She spoke in support of Utah's effort to update its laws regarding insurance liquidation, but voiced concerns with implementing IRMA.

Mr. Kenton Brine, Regional Manager, PCI (Property and Casualty Insurers Association), distributed and discussed a letter from PCI. He voiced concerns about adopting IRMA in Utah and agreed with Ms. Cox's comments.

Mr. Brian Allen, representing American Family Insurance and Liberty Mutual Insurance, agreed with Mr. Brine's and Ms. Cox's comments.

The Committee returned to Agenda Item #3, Draft Legislation: Professional Employer Organization Related Amendments.

MOTION: Sen. Jenkins moved to amend 2007 General Session draft legislation, "Professional Employer Organization Related Amendments" by deleting the word "and" on line 37 and inserting "and (c) enforces minimum certification qualifications that are equal to or exceed the requirements of this chapter." on line 38. The motion passed unanimously with Sen. Davis and Rep. Hansen absent for the vote.

MOTION: Sen. Jenkins moved to favorably recommend 2007 General Session draft legislation, "Professional Employer Organization Related Amendments" as amended. The motion passed unanimously with Sen. Davis and Rep. Hansen absent for the vote.

5. Draft Legislation: Sunrise Process

Ms. Owen distributed and discussed "Sunrise Review Process: Current and Selected Options." She also discussed three legislative options developed at the Committee's request.

The Committee discussed issues including the \$500 application fee, the makeup of OPLR (Occupational and Professional Licensure Review Committee), and types of legislation that come before OPLR.

6. Draft Legislation: Disaster Preparedness

Rep. Oda distributed and discussed a working draft of 2007 General Session draft legislation, "Disaster Recovery Funding."

Ms. Owen distributed and discussed "Disaster Recovery Funding Act: What 'Funds' are created?" and "Disaster Recovery Funding Act: How would money be used?"

Mr. Mike Kuehn, Director, Division of Emergency Services and Homeland Security, spoke in favor of the working draft bill.

Mr. Michie suggested meeting with the state financial advisor to discuss issues related to local government and state loans.

Mr. Ryan Pietramali, Emergency Planner, Division of Emergency Services and Homeland Security, clarified how the Federal Emergency Management Agency contributes during disasters.

7. Other Items / Adjourn

MOTION: Rep. Ferry moved to adjourn the meeting. The motion passed unanimously with Sen. Davis, Sen. Mayne, Sen. Waddoups, Rep. Biskupski, Rep. Dunnigan, Rep. Hansen, and Rep. Kiser absent for the vote.

Chair Clark adjourned the meeting at 4:50 p.m.