

**SENATE COMMERCE COMMITTEE**

Wednesday, March 29, 2006

12:00 p.m., Room 15, State Capitol

Present: Senator Linda Scheid, chair, Senator Dan Sparks, vice-chair, Senator Ellen Anderson, Senator Michael Jungbauer, Senator Sheila Kiscaden, Senator Cal Larson, Senator Brian LeClair, Senator Becky Lourey, Senator James Metzen, Senator Geoff Michel, Senator Sandra Pappas, Senator Larry Pogemiller, Senator Ann Rest, Senator Mady Reiter, Senator Dallas Sams

Not Present: Senator William Belanger

Senator Scheid, chair, called the meeting to order at 12:14 p.m.

Senator Michel recused himself from voting on S.F. 2787 (Scheid) Modernizing insurance regulation.

Senator Scheid announced that a quorum was present at 12:16 p.m.

**S.F. 2941** (Senator Rest): Establishes a fire safety account.

Senator Rest moved the SCS2941A-1 delete everything amendment.

**MOTION ADOPTED.**

Senator Rest explained S.F. 2941 and the SCS2941A-1 amendment, with specific emphasis on the repealer in the SCS2941A-1 amendment.

Committee discussion followed.

Bob Johnson, representing the Minnesota Insurance Federation, responded to committee inquiries regarding the repealer in the SCS2941A-1 amendment.

Committee discussion followed.

Mike Stockstead, president, Minnesota Professional Fire Fighters, spoke in support of S.F. 2941 and provided a brief history of the administration of the fire safety account.

Committee discussion followed.

Dave Ganfield, representing the Minnesota State Fire Department Association, responded to committee inquiries regarding the amount of funding currently received by fire marshals.

Nyle Zickmund, representing the Minnesota State Fire Chiefs Association, spoke in support of S.F. 2941.

Committee discussion followed.

Bob Johnson, representing the Minnesota Insurance Federation, responded to committee inquiries regarding the projected consumer impact of the proposed surcharge increase.

Committee discussion followed.

Bob Johnson, representing the Minnesota Insurance Federation, responded to committee inquiries regarding retaliatory insurance premium taxes imposed on Minnesota based insurance companies by other states.

Committee discussion followed.

Dominic Sposeto, representing Minnesota Independent Insurance Agents, spoke in opposition to S.F. 2941.

Committee discussion followed.

Jerry Rosendahl, state fire marshal, responded to committee inquiries regarding the state fire marshal's official position on S.F. 2941.

Committee discussion followed.

Senator Rest moved that S.F. 2941, as amended, be recommended to pass and re-referred to the Committee on Crime Prevention.

Senator LeClair moved that SCS2941A-1 amendment be amended as follows:  
Page 1, line 3, delete section 1.

Senator LeClair asked for a roll call vote on his motion to amend the SCS2941A-1 amendment.

Senator Reiter seconded Senator LeClair's motion.

Senator LeClair moved to amend SCS2941A-1 as follows: Page 1, line 3, delete section 1.

| ROLL CALL       |                  |                |
|-----------------|------------------|----------------|
| Yea             | Nay              | Abstain        |
|                 | Senator Scheid   |                |
|                 | Senator Anderson |                |
|                 | Senator Kiscaden |                |
| Senator LeClair |                  |                |
|                 | Senator Lourey   |                |
|                 | Senator Metzen   |                |
|                 | Senator Michel   |                |
|                 |                  | Senator Reiter |
|                 | Senator Rest     |                |
|                 | Senator Sams     |                |
|                 | Senator Sparks   |                |

With 1 Yea, 9 Nays and 1 Abstain: **MOTION FAILED.**

Senator Reiter moved to amend the SCS2941A-1 amendment as follows:  
page 2, line 31, delete section 2.

Senator Reiter **WITHDREW** her motion.

Senator Rest moved that S.F. 2941, as amended be recommended to pass and be re-referred to the Committee on Crime Prevention.

Senator Metzen asked for a roll call vote on the motion.

Senator Pogemiller seconded Senator Metzen's motion.

Senator Rest renewed her motion that S.F. 2941, as amended be recommended to pass and be re-referred to the Committee on Crime Prevention.

| ROLL CALL        |                 |                |
|------------------|-----------------|----------------|
| Yea              | Nay             | Abstain        |
| Senator Scheid   |                 |                |
| Senator Anderson |                 |                |
| Senator Kiscaden |                 |                |
|                  | Senator LeClair |                |
| Senator Lourey   |                 |                |
| Senator Metzen   |                 |                |
| Senator Michel   |                 |                |
|                  |                 | Senator Reiter |
| Senator Rest     |                 |                |
| Senator Sams     |                 |                |
| Senator Sparks   |                 |                |

With 9 Yeas, 1 Naye, and 1 Abstain: **MOTION ADOPTED.**

**S.F. 3079** (Senator Higgins): Modifying licensing of barbers and cosmetologists.

Senator Higgins explained S.F. 3079.

Senator Anderson moved the SCS3179A-1 amendment. **MOTION ADOPTED.**

Jim Verhoye, education director, Minnesota Correctional Facility at Shakopee, spoke in favor of S.F. 3079.

Scott Staples, instructor, Correctional Facility at Shakopee, announced that he was present to answer committee inquiries.

Senator Anderson moved that S.F. 3079, as amended, be recommended to pass. **MOTION ADOPTED.**

Senator Scheid passed the gavel to Senator Sparks at 1:15 p.m.

**S.F. 2787** (Scheid): modernizing insurance regulation.

Senator Scheid explained Article 1 of S.F. 2787.

Patrick Nelson, deputy commissioner, Department of Commerce, confirmed that the Department of Commerce supports Article 1 of S.F. 2787.

Senator Scheid explained Article 2 of S.F. 2787.

Committee discussion followed.

Dominic Sposeto, representing the National Association of Insurance and Financial Advisors, spoke in support of S.F. 2787.

Senator Scheid explained Article 3 of S.F. 2787.

Patrick Nelson, deputy commissioner, Department of Commerce, confirmed that the Department of Commerce supports Article 3 of S.F. 2787.

Robyn Rowen, representing the Minnesota Insurance Federation, spoke in support of S.F. 2787.

Joel Carlson, representing the Minnesota Trial Lawyer's, spoke in opposition of Article 2 of S.F. 2787.

Senator Scheid responded to Mr. Carlson's comments.

Dominic Sposeto, representing the National Association of Insurance and Financial Advisors, responded to Mr. Carlson's comments.

Committee discussion followed.

Dominic Sposeto, representing the National Association of Insurance and Financial Advisors, deferred to Robyn Rowen, in response to committee inquiries regarding "Uniform Standards".

Robyn Rowen, representing the Minnesota Insurance Federation, explained "Uniform Standards" by example to the committee.

Committee discussion followed.

Joel Carlson, representing the Minnesota Trial Lawyer's, responded to committee inquiries.

Committee discussion followed.

Senator Scheid moved that S.F. 2787 be recommended to pass and be re-referred to the Committee on Judiciary.

Senator LeClair called for a roll call vote on Senator Scheid's motion.

Senator Reiter seconded Senator LeClair's motion.

Senator Scheid moved that S.F. 2787 be recommended to pass and be re-referred to the Committee on Judiciary.

| ROLL CALL          |                |         |
|--------------------|----------------|---------|
| Yea                | Nay            | Abstain |
| Senator Scheid     |                |         |
| Senator Kiscaden   |                |         |
| Senator LeClair    |                |         |
|                    | Senator Lourey |         |
| Senator Metzen     |                |         |
| Senator Pappas     |                |         |
| Senator Pogemiller |                |         |
| Senator Reiter     |                |         |
| Senator Sparks     |                |         |

With 8 Yeas, 1 Nay: **MOTION ADOPTED.**

**S.F. 2293** (Scheid): Individual health insurance policy forms filing and use regulation.

Senator Scheid moved the A-2 delete everything amendment.  
**MOTION ADOPTED.**

Senator Scheid explained S.F. 2293, as amended.

Bob Johnson, representing the Minnesota Insurance Federation, spoke in support of S.F. 2293.

Scott Zajic, representing Assurant Health, Milwaukee, WI, spoke in support of S.F. 2293.

Committee discussion followed.

Bob Johnson, representing the Minnesota Insurance Federation, responded to committee inquiries regarding loss ratios.

Senator Pogemiller moved that S.F. 2293, as amended, be recommended to pass.

Committee discussion followed.

Scott Zajic, representing Assurant Health, responded to committee inquiries.

Senator Pogemiller renewed his motion that S.F. 2293, as amended, be recommended to pass. **MOTION ADOPTED.**

**S.F. 3551** (Senator Metzen): relating to real estate appraiser.

Senator Metzen explained S.F. 3551.

Jim Pearson, commerce department, spoke in support of S.F. 3551.

Senator Pogemiller moved that S.F. 3551 be recommended to pass.

Chris Stang, senate counsel, called members' attention to the effective date on Page 1, line 17.

Senator Pogemiller moved to amend S.F. 3551 as follows: Page 1, line 17, after "effective" delete "on" and insert "after". **MOTION ADOPTED.**

Senator Pogemiller renewed his motion that S.F. 3551 be recommended to pass.  
**MOTION ADOPTED.**

The meeting adjourned at 2:40 p.m. The proceedings were taped and the materials distributed are attached to these minutes.

Respectfully submitted,

  
SENATOR LINDA SCHEID, CHAIR

  
Tangee Harrison  
Committee Legislative Assistant

SENATE COMMERCE COMMITTEE

Wednesday, March 29, 2006

Room 15 Capitol

12:00pm

1. ~~2.~~ SF 3079 (Higgins) modifying licensing barbers and cosmetologists

Jim Verhoye, education director, MN Correctional Facility at Shakopee

1. ~~2.~~ SF 2941 (Rest) establishing a fire safety account

Nyle Zikmund, Minnesota State Fire Chiefs Association  
Mike Stockstead, president, MN Professional Fire Fighters

Dominic Sposeto, MN Independent Insurance Agents

3. SF 2787 (Scheid) modernizing insurance regulation

Robin Rowen, MN Insurance Federation  
Dominic Sposeto, National Association of Insurance and Financial Advisors

4. SF 2293 (Scheid) individual health insurance policy forms filing and use regulation

Bob Johnson, MN Insurance Federation  
Scot Zajic, Assurant

~~5. SF 3480 (Scheid) commerce department insurance proposals~~ NOT HEARD  
UNTIL 4/3/6

~~Patrick Nelson, deputy commissioner, commerce department~~

5. ~~6.~~ SF 3551 (Metzen) relating to real estate appraisers

Jim Pearson, commerce department

## 06 date heard

| <u>Date Scheduled</u> | <u>SF</u> | <u>Senate Author</u> | <u>Summary</u>  |
|-----------------------|-----------|----------------------|---|
| 3/29/2006             | 2787      | Scheid               | modernizing insurance regulation  |
| 3/29/2006             | 2293      | Scheid               | individual health insurance policy forms filing and use regulation                  |
| 3/29/2006             | 2941      | Rest                 | establishing the fire safety account from revenues on fire premiums and assessments |
| 3/29/2006             | 3551      | Metzen               | relating to real estate appraisers  |