

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

Wednesday, June 19, 2002 – 2:00 p.m. – Room 403 State Capitol

Members Present:

Rep. Katherine M. Bryson, House Chair
Sen. Curtis S. Bramble
Sen. Gene Davis
Sen. Parley G. Hellewell
Sen. Ed P. Mayne
Rep. Gerry A. Adair
Rep. Roger E. Barrus
Rep. Cindy Beshear
Rep. Jackie Biskupski
Rep. David Clark
Rep. Carl W. Duckworth
Rep. Ben C. Ferry
Rep. Brad King

Rep. Karen W. Morgan
Rep. Brent D. Parker

Members Absent:

Sen. Dan R. Eastman, Senate Chair
Sen. L. Steven Poulton
Rep. Greg J. Curtis
Rep. Thomas Hatch

Staff Present:

Ms. Mary Catherine Perry, Research Analyst
Mr. Thad LeVar, Associate General Counsel*
Ms. Sandra Wissa, Legislative Secretary

Note: A list of others present and a copy of materials can be found at <http://www.image.le.state.ut.us/imaging/history.asp> or by contacting the committee secretary at 538-1032.

1. Committee Business

Chair Bryson called the meeting to order at 2:30 p.m. and excused Sen. Eastman and Rep. King.

MOTION: Sen. Bramble moved to approve the minutes of the May 22, 2002 meeting. The motion passed unanimously with Sen. Mayne, Rep. Barrus, and Rep. Biskupski absent for the vote.

2. Sunset Reviews

Ms. Perry explained that the Committee may make recommendations to the Legislative Management Committee on whether the following acts should sunset. She explained that the acts may be re-authorized for up to 10 years.

A. State Olympic Coordination Act

Mr. Lane Beattie, State Olympic Coordinator, asked that this act be re-authorized for 1 year, due to the oversight of additional Olympic matters.

B. Utah Sports Authority Act

Mr. Don Leonard, Executive Committee, Utah Sports Authority, recommended that this act sunset on the existing date of July 1, 2003.

* Not licensed to practice law in Utah

C. Section 31A-2-217, Coordination with Other States

Mr. Merwin Stewart, Commissioner, Department of Insurance, explained that this statute involves regulations involving other states. He recommended that this act be re-authorized for 10 years.

D. Architects Licensing Act

E. Physical Therapist Practice Act

F. Hearing Instrument Specialist Licensing Act

Mr. Craig Jackson, Director, Division of Occupational and Professional Licensing, Department of Commerce, spoke the above three acts (D, E, and F) and recommended that they be re-authorized for 10 years each.

MOTION: Rep. Adair moved to re-authorize the State Olympic Coordination Act until July 1, 2004; allow the Utah Sports Authority Act to sunset; and to re-authorize Section 31A-2-217, coordination with other states for 10 years. The motion passed unanimously with Sen. Mayne and Rep. Biskupski absent for the vote.

MOTION: Rep. Beshear moved to re-authorize the Architects Licensing Act, Physical Therapist Practice Act, and Hearing Instrument Specialist Licensing Act for 10 years each. The motion passed unanimously with Sen. Mayne and Rep. Biskupski absent for the vote.

3. Viatical and Life Settlements

Mr. Thad LeVar gave an overview of viatical and life settlements and distributed copies of his presentation to the Committee. He explained the difference between the two types of settlements, current state law in this area, and other states' regulations.

Mr. Merwin Stewart, Commissioner, Department of Insurance, explained that the Insurance Department supports the insurance-related provisions of the National Association of Insurance Commissioners Model Act. He indicated that viatical and life settlements can be abused if not regulated.

Mr. Tony Taggart, Director, Division of Securities, Department of Commerce, explained that viatical settlement companies market interests in viatical settlement to individual investors. He indicated that there is an increase in fraud in these types of investments. He also noted that his office has been receiving more complaints about these investments due to investors not receiving proper disclosure at the time of purchase. He distributed the handout "State Securities Administrators' Regulatory Positions on Viatical Investments" and stated that in Utah viatical investments are considered Investment Contracts. He recommended a statutory change to classify viatical investments as securities.

Mr. Doug Head, Executive Director, Viatical and Life Settlement Association of America, distributed a written copy of his testimony. He explained that Utah is the only state that does not allow an individual who does not have a terminal illness to sell his or her life insurance policy. He stated that even if Utah

makes no other statutory changes in this area, that the law should be changed to allow the sale of life insurance policies. Mr. Head stated that his association supports the National Conference of Insurance Legislators Model Act.

Mr. Rob Ence, Utah State Director, AARP, distributed and reviewed "Viatical Settlements." He explained that viatical settlements are a source of long-term care financing. Mr. Ence stated that if these settlements are allowed there should be appropriate regulations. He indicated that AARP supports creating regulations both for the consumer and the seller.

Rep. Parker stated that he plans to prepare a bill for the Committee's consideration later this interim.

4. Other Items/Adjourn

MOTION: Sen. Hellewell moved to adjourn the meeting. The motion passed unanimously with Sen. Davis, Sen. Mayne, Rep. Adair, Rep. Biskupski, and Rep. Morgan absent for the vote.

Chair Bryson adjourned the meeting at 3:48 p.m.