

**MINUTES OF THE HOUSE BUSINESS AND LABOR
STANDING COMMITTEE**
Room W010 State Capitol Complex
January 24, 2005

Members Present: Rep. Stephen D. Clark, Chair
Rep. Jim Dunnigan, Vice Chair
Rep. J. Stuart Adams
Rep. Jackie Biskupski
Rep. David Clark
Rep. Carl W. Duckworth
Rep. Craig A. Frank
Rep. Neil A Hansen
Rep. Todd E. Kiser
Rep. Michael T. Morley
Rep. Curtis Oda
Rep. Gordon E. Snow
Rep. Scott L. Wyatt

Staff Present: Mark Steinagel, Policy Analyst
Linda Error, Committee Secretary

Note: List of visitors and a copy of handouts are filed with committee minutes.

Rep. S. Clark called the meeting to order at 8:00 a.m.

Rep. Oda moved to approve the minutes of the January 20, 2005 meeting. The motion passed unanimously, with Rep. Biskupski, Rep. Duckworth, Rep. D. Clark, Rep. Frank, Rep. Morley, and Rep Wyatt absent for the vote.

H.B. 69 Federal Health Care Tax Credit Program Act (Rep. C. Oda)

Rep. Oda explained the bill

MOTION: Rep. Adams moved to pass the bill out favorably. The motion passed unanimously, with Rep. Biskupski, Rep. D. Clark, Rep. Frank, Rep. Morley, and Rep. Wyatt absent for the vote.

MOTION: Rep. Kiser moved to place **H.B. 69** on the Consent Calendar. The motion passed unanimously, with Rep. Biskupski, Rep. D. Clark, Rep. Frank, Rep. Morley, and Rep. Wyatt absent for the vote.

H.B. 195 Insurance Law Amendments (Rep. J. Dunnigan)

Rep. Dunnigan explained the bill with the assistance of Mickey Braun, Assistant Insurance Commissioner.

MOTION: Rep. Oda moved to pass the bill out favorably. The motion passed unanimously, with Rep. Adams, and Rep. Biskupski absent for the vote.

MOTION: Rep. D. Clark moved to place **H.B. 195** on the Consent Calendar. The motion passed unanimously, with Rep. Adams, and Rep. Biskupski absent for the vote.

H.B. 200 Property and Casualty Insurance Law Amendments (Rep. J. Dunnigan)

Rep. Dunnigan explained the bill with the assistance of Brad Tibbetts, Utah Insurance Department

MOTION: Rep. D. Clark moved to proceed to the next item on the agenda. The motion passed unanimously, with Rep. Biskupski absent for the vote.

H.B. 201 Life Insurance and Annuities Law Amendments (Rep. J. Dunnigan)

Rep. Dunnigan explained the bill with the assistance of John Coomans, Utah Insurance Department.

Spoke to the bill: Mike Stevens, insurance agent

Spoke for the bill: Blake Taylor, Heritage Financial Place

Spoke against the bill: W. Glen Weeks, retired financial consultant

MOTION: Rep. Morley moved to amend the bill as follows:

1. Page 1, Lines 11 through 13:

11 This bill: {-

12 ———> ~~defines a two-tier annuity;~~

13 ———> ~~exempts two-tier annuities from certain cash surrender value requirements;}~~

2. Page 9, Lines 250 through 260:

250 (b) For a contract ~~{, other than a two-tier annuity as defined in Subsection~~

~~(10)(d),~~ that
251 provides cash surrender benefits [~~on or past the maturity date~~], the cash surrender value
on or
252 past the maturity date shall be equal to the amount used to determine the annuity benefit
253 payments.
254 (c) A surrender charge may not be imposed on or past maturity.
255 { ~~(d) As used in this Subsection (10), "two-tier annuity" means an annuity~~
contract under
256 which:
257 —(i) cash surrender value is an accumulation, at interest, of percentages of
premiums
258 specified in the contract; and
259 —(ii) cash surrender value cannot be derived from the amount used to determine
the
260 annuity benefit payments. }

SUBSTITUTE

MOTION: Rep. Snow moved to hold the bill. After committee discussion Rep. Snow withdrew the motion.

The original motion to amend passed unanimously, with Rep. Hansen absent for the vote.

MOTION: Rep. D. Clark moved to pass the bill out favorably. The motion passed unanimously, with Rep. Hansen absent for the vote.

H.B. 47 New Automobile Franchise Act Amendments (Rep. S. Urquhart)

This bill was not considered in this meeting.

MOTION: Rep. Adams moved to adjourn the meeting. The motion passed unanimously, with Rep. Hansen absent for the vote.

Rep. S. Clark, adjourned the meeting at 9:50 a.m.