

**MINUTES OF THE SENATE BUSINESS & LABOR
STANDING COMMITTEE
MONDAY, JANUARY 31, 2005, 8:00A.M.
ROOM W015, WEST OFFICE BUILDING
STATE CAPITOL COMPLEX**

Members Present: Sen. Scott K. Jenkins, Chair
Sen. Gene Davis
Sen. Thomas V. Hatch
Sen. Parley G. Hellewell
Sen. John W. Hickman
Sen. Sheldon L. Killpack
Sen. L. Alma Mansell
Sen. Ed Mayne
Sen. Michael Waddoups

Staff Present: Mark Steinagel, Policy Analyst
Chris Parker, Office of Legislative Research and General Counsel
Karen Allred, Committee Secretary

Public Speakers Present: Brian Allen, American Family Insurance
Jim Olsen, Executive Director, Utah Retail Merchants Association
Robin Riggs, Vice President, Salt Lake Chamber of Commerce
Francine Giani, Director, Division of Consumer Protection
Richard Hamp, Attorney General's Office
Chantele Artman, Consumer Data Industry Association
Carter Livingston, AARP Utah

A list of visitors and a copy of handouts are filed with the committee minutes.

Sen. Parley G. Hellewell assumed the Committee Chair and called the meeting to order at 8:20 a.m.

1. S.B. 48 Insurance Cancellation and Nonrenewal Restrictions (P. Arent)

Sen. Arent presented the bill and the following amendments were distributed:

1. Page 4, Line 118 through Page 6, Line 150:

118 (5) Notwithstanding Subsections (2) and (4), an insurer may not cancel or fail to
renew

119 {an insurance policy} the following personal lines insurance policies solely
on the basis of:

- 120 (a) in the case of a motor vehicle insurance policy:
121 (i) a claim from the insured that:
122 (A) results from an accident in which the insured is not at fault; and
123 (B) is the only claim meeting the condition of Subsection (5)(a)(i)(A) within a
124 36-month period;
125 (ii) a single traffic violation by an insured that:
126 (A) is a violation of a speed limit under Title 41, Chapter 6, Traffic Rules and
127 Regulations;
 (B) is not in excess of ten miles per hour over the speed limit;
128 ~~{(B)}~~ **(C)** is not a ~~{school zone}~~ traffic violation under §
 (I) Subsection 41-6-46 (1);
 (II) Section 41-6-48.5; or
 (III) Section 41-6-49; and
129 ~~{(C) is not in excess of ten miles per hour over the speed limit; and }~~
130 (D) is the only violation meeting the conditions of Subsections (5)(a)(ii)(A) through
131 (C) within a 36-month period;
132 (iii) a claim for damage that:
133 (A) results solely from:
134 (I) wind;
135 (II) hail;
136 (III) lightning; or
137 (IV) an earthquake;
138 (B) is not preventable by the exercise of reasonable care; and
139 (C) is the only violation meeting the conditions of Subsections (5)(a)(iii)(A) and (B)
140 within a 36-month period; and
141 (b) in the case of a ~~{residential dwelling liability}~~ **homeowner's**
 insurance policy, a claim by the insured
142 that is for damage that:
143 (i) results solely from:
144 (A) wind;
145 (B) hail; or
146 (C) lightning;
147 (ii) is not preventable by the exercise of reasonable care; and

148 (iii) is the only ~~{violation}~~ claim meeting the conditions of Subsections
(5)(b)(i) and (ii) within
149 a 36-month period.
150 [~~5~~] (6) (a) (i) Subject to Subsection [~~5~~] (6)(b), if the insurer offers or purports to

MOTION: Sen. Killpack moved to adopt the amendment.

The motion passed unanimously with Committee Chair Jenkins, Sen. Waddoups, Sen. Davis and Sen. Mayne absent for the vote.

Sen. Mansell proposed the following amendment:

1. *Page 5, Lines 143 through 147:*

143 (i) results solely from:
144 (A) wind;
145 (B) hail; ~~{or}~~
146 (C) lightning; or
(D) fire;
147 (ii) is not preventable by the exercise of reasonable care; and

MOTION: Sen. Mansell moved to adopt the amendment.

The motion passed unanimously with Committee Chair Jenkins, Sen. Waddoups, Sen. Davis and Sen. Mayne absent for the vote.

Brian Allen, American Family Insurance, spoke to the bill.

MOTION: Sen. Mansell moved to pass the bill out favorably as amended.

The motion passed unanimously with Committee Chair Jenkins, Sen. Waddoups, Sen. Davis and Sen. Mayne absent for the vote.

2. **S.B. 52 Price Controls During Emergencies Act** (*P. Arent*)

Sen. Arent explained the bill assisted by Jim Olsen, Executive Director, Utah Retail Merchants Association.

Speaking in support of the bill were: Robin Riggs, Vice President, Salt Lake Chamber of Commerce; Francine Giani, Director, Consumer Protection, and Brian Allen, American Family Insurance.

Sen. Mansell proposed the following amendment:

1. *Page 4, Lines 99 through 100:*

99 (3) ~~{A}~~ Upon request, a person allegedly charging an excessive price
 under Subsection (2) ~~{has the burden of~~
100 proving that the person meets the requirements of Subsections (2)(a) and (b).
~~}~~ shall provide documentation to the division that the person is in compliance with
this chapter.

MOTION: Sen. Mansell moved to adopt the amendment.

The motion passed unanimously with Committee Chair Jenkins absent for the vote.

MOTION: Sen. Davis moved to pass the bill out favorably as amended.

The motion passed with Sen. Hatch, Sen. Hellewell, Sen. Killpack, Sen. Mansell, Sen. Waddoups, Sen. Davis and Sen. Mayne voting in favor of the bill; Sen. Hickman voting in opposition to the bill; and Committee Chair Jenkins absent for the vote.

3. **S.B. 75 Public Safety Database Amendments** (*M. Waddoups*)

The bill was not considered.

4. **S.B. 29 Licensing of Crane Operators** (*G. Davis*)

The bill was not considered.

5. **S.B. 39 Consumer Credit Protection** (*C. Walker*)

Sen. Walker explained the bill assisted by Richard Hamp, Attorney General's Office.

Committee Chair Jenkins assumed the Chair.

Chantele Artman, Consumer Data Industry Association, spoke in opposition to the bill.

Carter Livingston, AARP Utah, and Francine Giani, Director, Division of Consumer Protection, spoke in support of the bill.

MOTION: Sen. Hatch moved to pass the bill out favorably.

The motion passed with Committee Chair Jenkins, Sen. Hatch, Sen Hellewell, Sen Killpack, and Sen. Mansell voting in favor of the bill; Sen. Waddoups voting in opposition to the bill; and Sen. Hickman, Sen. Davis and Sen. Mayne absent for the vote.

MOTION: Sen. Hellewell moved to adjourn.

The motion passed unanimously at 9:30 a.m.

Sen. Scott K. Jenkins, Chair