

**MINUTES OF THE HOUSE BUSINESS AND LABOR
STANDING COMMITTEE**
Room W010, West Office Building, State Capitol Complex
January 30, 2007

Members Present: Rep. Stephen D. Clark, Chair
Rep. Jim Dunnigan, Vice Chair
Rep. Jackie Biskupski
Rep. David Clark
Rep. Carl W. Duckworth
Rep. Ben Ferry
Rep. Gage Froerer
Rep. Kevin Garn
Rep. Neil A Hansen
Rep. Todd E. Kiser
Rep. Paul Neuenschwander
Rep. Mark Walker

Members Absent Rep. Michael T. Morley

Staff Present: Allison Nicholson, Policy Analyst
Linda Error, Committee Secretary

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

Vice Chair Dunnigan called the meeting to order at 3:15 p.m.

MOTION: Rep. Neuenschwander moved to approve the minutes of the January 26, 2007 meeting. The motion passed unanimously, with Rep. D. Clark, Rep. S. Clark, and Rep. Kiser absent for the vote.

Vice Chair Dunnigan relinquished the chair to Rep. Hansen.

H.B. 340 Insurer Receivership Act (Rep. J. Dunnigan)

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

1. Page 128, Lines 3954 through 3958:

3954 (ii) in addition to paying other Class 1 claims described in Subsection 31A-
27a-701(2)(a), if the payment assists or results in the collection or recovery of
property of the insurer that provides a net benefit to creditors of the estate, pay
Class 1 administrative costs of the estate:
3955 {~~(A)~~ at the liquidator's sole discretion;}
3956 {~~(B)~~} (A) upon approval of the receivership court; and

3957 ~~{(C) where the payment assists or results in the collection or recovery of~~
property of the
3958 ~~insurer that provides a net benefit to creditors of the estate;—~~ }
(B) only to the extent of the collection or recovery of the property;

2. Page 196, Lines 6068 through 6072:

6068 ~~{(d)}~~ (e) "Other secured obligation" means an obligation, such as a
reinsurance or
6069 retrospective premium obligation, that is:
6070 (i) payable by the insured to the insurer; and
6071 (ii) secured by collateral that also secures a deductible obligation.
6072 ~~{(e)}~~ (f) "Uncovered claim" means a deductible claim that is secured by
collateral but that:

3. Page 199, Lines 6148 through 6149:

6148 (iii) Collateral may not be considered as a general asset of the estate, except as
6149 provided in Subsections ~~{(6)(b)}~~ (5)(c) and (8).

4. Page 200, Lines 6168 through 6169:

6168 (e) (i) The receiver shall first apply or reserve collateral to the insured's obligations
6169 referenced in ~~{Subsection (6)(b)}~~ Subsections (5)(c)(i)(A) and (C) .

5. Page 203, Line 6277:

6277 timely manner.

(10) This section modifies Subsection 31A-22-1010(2)(b) to the extent necessary to permit an insured to participate in the payment of the insurance claims and losses by reimbursement of a receiver or affected guaranty association as provided in this section.

The motion to amend passed unanimously, with Rep. D. Clark absent for the vote.

Rep. Dunnigan introduced the bill to the committee.

Assisted by: Kent Michie, Commissioner, Utah Insurance Department

Neal Gooch, Deputy Commission, Utah Insurance Department

Spoke for the bill: Mike Sontag, American Insurance Association

Gary Thorup, Reinsurance Association of America, and Property and
Casualty Insurers of America

MOTION: Rep. D. Clark moved to pass the bill out favorably as amended. The motion passed unanimously.

Vice Chair Dunnigan resumed the chair.

H.B. 258 Continuing Education Requirements for Architects (Rep. B. Dee)

Rep. Dee introduced the bill to the committee with the assistance of Eric Tholen, American Institute of Architects.

Spoke for the bill: Elizabeth Mitchell, Executive Director, American Institute of Architects

MOTION: Rep. S. Clark moved to pass the bill out favorably. The motion passed, with Rep. Duckworth, Rep. Garn, and Rep. Hansen voting in opposition. Rep. D. Clark was absent for the vote.

H.B. 130 Funeral Services Licensing Act Amendments (Rep. K. McIff)

Rep. McIff introduced the bill to the committee with the assistance of Kelly Magleby, Utah Funeral Directors Association, Magleby Mortuary, Richfield, Utah. (handout)

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

1. Page 23, Lines 696 through 697:

696 (1) Each trust established by a {~~provider~~} funeral service establishment
= shall be administered in accordance with a trust
697 agreement conforming with:

The motion to amend passed unanimously, with Rep. D. Clark and Rep. Froerer absent for the vote.

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

H.B. 135 Utah Uniform Building Standards Act Amendments (Rep. L. Wiley)

Rep. Wiley introduced the bill to the committee.

Spoke for the bill: Dale Zabriskie, Utah Manufactured Housing Association

MOTION: Rep. Biskupski moved to pass the bill out favorably. The motion passed unanimously, with Rep. D. Clark, Rep. S. Clark, Rep. Froerer, Rep. Garn, and Rep. Kiser absent for the vote.

MOTION: Rep. Biskupski moved that H.B. 135 be placed on the Consent Calendar. The motion passed unanimously, with Rep. D. Clark, Rep. S. Clark, Rep. Froerer, Rep. Garn, and Rep. Kiser absent for the vote.

MOTION: Rep. Neuenschwander moved to adjourn the meeting. The motion passed unanimously, with Rep. D. Clark, Rep. S. Clark, Rep. Froerer, Rep. Garn, and Rep. Kiser absent for the vote.

Vice Chair Dunnigan adjourned the meeting at 4:50 p.m.

Rep. Stephen D. Clark, Chair