

MINUTES OF THE MEETING  
BUSINESS & INDUSTRY COMMITTEE  
MONTANA STATE SENATE

February 8, 1979

The meeting of the Business and Industry Committee was called to order by Vice-Chairman Pat Goodover on the above date in Room 404 of the State Capitol Building at 10:00 a.m.

ROLL CALL: All members were present.

SENATE BILL 93: Senator Lowe and his subcommittee consisting of Senators Kolstad and Peterson worked with the Bankers' representatives, Mr. Harold Pitts and Mr. John Cadby. They met with Mrs. Driscoll from the Office of the Insurance Commissioner. The subcommittee reports the bill is in agreement with everyone and they support a Do Pass on SB 93.

DISPOSITION OF SENATE BILL 93: Senator Regan moved that Senate Bill 93 DO PASS. There was a second to the motion by Senator Dover. The Committee voted unanimously that SB 93 DO PASS.

SENATE BILL 328: Senator Lowe stated this is an act to allow a licensed casualty insurance agent to collect a fee from the insured for placing a policy with the State Compensation Insurance Fund.

Senator Lowe stated that in the event the employer has an insurance agent who takes care of most of his insurance, he might want the agent to cover the Workmen's Compensation as well.

This bill would allow the agent to charge/a <sup>up to</sup> 7 1/2 percent handling commission. This would be between the agent and the employer. Senator Lowe would recommend the Committee approve it.

Senator Dover wondered if there might be some provision as to how the fee would be collected.

Mr. Norm Grosfield, representative from the Division of Workers' Compensation, said they do not support or oppose the bill.

Senator Dover wanted to know what the agent would be doing and if there was a need to justify his commission.

Mr. Grosfield stated this was really a matter between the agent and the employer.

Senator Goodover inquired as to the difference between a state plan and a private plan.

Mr. Grosfield stated that in some areas there is a substantial difference--as much as 50 percent, but probably not more than 20 or 30 percent.

DISPOSITION OF SENATE BILL 328: Senator Dover made a motion that Senate Bill 328 DO PASS.

A Roll Call Vote was taken on SB 328 and it was given a DO PASS by the Committee.

SENATE BILL 255: The Committee agreed to pass consideration of SB 255 since Senator Thiessen, sponsor of the bill, was unable to be present at the hearing.

SENATE BILL 99: Senator Goodover stated there are two options to the bill. Option B took the state out of the wine distribution system except as called for in the bill.

On second reading of SB 99 there were problems with the bill because there was a problem of revenue. They wanted to bring the bill back to the Committee to address some of these problems.

The Committee was given a copy of Option B. By going with Option B, it still allows wine in the liquor stores and in the grocery stores. It takes the state out of the distribution system.

Attorney Bob Pyfer stated that beer distributors could also distribute wine under this bill, but it would be regulated separately. The Department of Revenue would regulate it.

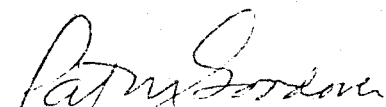
The Committee had a general discussion on distribution of wine.

Senator Blaylock stated he thought we definitely needed a Statement of Intent and the Committee concurred.

Mr. Pyfer stated he hasn't had an opportunity to go over this new bill carefully. He thinks it needs a new Statement of Intent, because there is rule-making authority involved.

The Committee asked Mr. Pyfer to do research for it. He agreed. The Committee will have a new Statement of Intent and research completed for a Work Meeting on Saturday, February 10.

ADJOURN: There being no further business, the meeting was adjourned at 10:55.

  
Sen. Pat Goodover, Vice-Chairman



# STANDING COMMITTEE REPORT

February 8

19 79

MR. President:.....

We, your committee on ..... **Business and Industry** .....

having had under consideration .....

**Senate**

Bill No. **328**

Respectfully report as follows: That .....

**Senate**

Bill No. **328**

DO PASS

SENATE COMMITTEE BUSINESS & INDUSTRY

Date Feb. 8, 1979

Bill No. 328

Time 10:15

NAME	YES	NO
Pat M. Goodover, Vice Chairman	✓	
Chet Blaylock	✓	
Harold Dover	✓	
Tom Hager	<i>abstain</i>	
Allen Kolstad	<i>abstain</i>	
Bill Lowe	✓	
John Mehrens	✓	
Bob Peterson	✓	
Pat Regan	<i>abstain</i>	
Frank Hazelbaker, Chairman	<i>abstain</i>	

*Marjorie Nichols*  
Secretary

*F. Hazelbaker*  
Chairman

Motion: *Put HB 328 on second reading - Do Pass.*

(include enough information on motion--put with yellow copy of committee report.)

# STANDING COMMITTEE REPORT

February 8

19 79

MR. President:

We, your committee on Business and Industry

having had under consideration Senate Bill No. 93

Respectfully report as follows: That Senate Bill No. 93

DO PASS

NAME: Norm Grosfield DATE: 2/8/79

ADDRESS: 815 Front Street

PHONE: 419-2047

REPRESENTING WHOM? Division of Workers' Compensation

APPEARING ON WHICH PROPOSAL: S.B. 328

DO YOU: SUPPORT? \_\_\_\_\_ AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

COMMENTS: Available to the committee for questions.

NAME: W. Boyce Clarke DATE: 2-8-79

ADDRESS: Helena, MT 3124 Vigilante Lane

PHONE: 442-6778

REPRESENTING WHOM? Independent Insurance Agents of Montana -

APPEARING ON WHICH PROPOSAL: SB-328

DO YOU: SUPPORT?  AMEND?  OPPOSE?

COMMENTS: \_\_\_\_\_

Testimony attached.



February 8, 1979

Mr. Chairman and members of the Committee:

For the record, I am Boyce Clarke representing Independent Insurance Agents of Montana

As Senator Lowe has explained, this bill would allow duly licensed casualty insurance agents to negotiate a placement fee with their customers for placing workers compensation coverage through the Montana Workers Compensation Fund. The fee is voluntary and negotiable - not more than 7½% of annual premium. Let me emphasize - voluntary and negotiable.

In handling workers compensation through private carriers, agents make basic application and filings with the Division - collect and remit premiums - determine eligibility for experience and size of risk credits - verify appropriate classifications and in many cases assist in completing employee and employer accident reports. In making placement arrangements, these same functions will be undertaken, with the exception of billing and premium collection.

Many of our accounts like to have their entire program in one agent's office, but in some cases the State Fund rates are more advantageous to the customer. This placement arrangement, then, will allow the agent to provide the coverage at the most favorable cost, and, if mutually agreed between agent and customer, to allow the agent to be paid for the effort expended.

The placement fee is not a commission. The State Fund pays no commission. The Division has no objection to this proposal.

Since this placement arrangement involves only activities and procedures a qualified licensed casualty insurance agent performs as a regular part of his daily business routine, I would ask your favorable consideration of this bill.

Thank you.

*W. B. ...*