

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS & LABOR

Call to Order: By **CHAIRMAN BRUCE T. SIMON**, on February 7, 1995,
at 8:00 AM.

ROLL CALL

Members Present:

Rep. Bruce T. Simon, Chairman (R)
Rep. Norm Mills, Vice Chairman (Majority) (R)
Rep. Robert J. "Bob" Pavlovich, Vice Chairman (Minority) (D)
Rep. Vicki Cocchiarella (D)
Rep. Charles R. Devaney (R)
Rep. Jon Ellingson (D)
Rep. Alvin A. Ellis, Jr. (R)
Rep. David Ewer (D)
Rep. Rose Forbes (R)
Rep. Jack R. Herron (R)
Rep. Don Larson (D)
Rep. Rod Marshall (R)
Rep. Jeanette S. McKee (R)
Rep. Karl Ohs (R)
Rep. Paul Sliter (R)
Rep. Carley Tuss (D)
Rep. Joe Barnett (R)

Members Excused: None.

Members Absent: Rep. Bob Keenan

Staff Present: Stephen Maly, Legislative Council
Alberta Strachan, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SB 196, SB 125, HB 342, HB 387
Executive Action: SB 196, SB 125, HB 342, HB 272, HB 344

HEARING ON SB 196

Opening Statement by Sponsor:

SEN. DELWYN GAGE, HD 43, Glacier County said this bill was an act
repealing the Montana Ratemaking Act.

Proponents' Testimony:

Jacqueline Lenmark, American Insurance Association, said the Montana Ratemaking Act was a supplement to the insurance commissioner's usual and proper regulatory authority. It permitted the commissioner to declare a particular line of insurance to be noncompetitive or volatile. **EXHIBIT 1**

Gary Spaeth, Chief Counsel, State Auditor's Office/State Insurance Commissioner's Office said this law hinders competition and the commissioner strongly supports competition and it is a law which cannot be implemented because of its adverse effects on the industry and consumers.

Greg VenHorssen, State Farm Insurance Company, said they supported this bill.

Roger McGlenn, Executive Director, Independent Insurance Agents, supported this bill.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

The sponsor closed.

HEARING ON SB 125

Opening Statement by Sponsor:

SEN. THOMAS F. KEATING, HD 5, Yellowstone County said this bill was an act exempting certain petroleum land professionals from the requirements of unemployment insurance and workers' compensation laws.

Proponents' Testimony:

Gail Abercrombie, Executive Director, Montana Petroleum Association, said this bill will help the petroleum people handle tax issues from the federal level.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. COCCHIARELLA questioned the amending of the language by the Senate. SEN. KEATING reported SEN. VAN VALKENBURG said he thought the language was bad and did not want to clutter up the statutes.

CHAIRMAN SIMON asked if there were any companies that would employ a petroleum land man for their own staff. SEN. KEATING said there are land men who are on staff and are drawing wages and the ABC Rules they are definitely employees and they are subject to unemployment insurance and workers' compensation coverage. CHAIRMAN SIMON then asked, given the stricken language, how someone who works for a company as a petroleum land man could be differentiated from land men who are independent. This is not specified in the bill. SEN. KEATING indicated that language could be put into the bill and again, it would be to his favor.

CHAIRMAN SIMON questioned if Mr. Hunter had seen the bill. A petroleum land man working for a major oil company could be excluded from coverage from this bill. Mr. Hunter said that under the current language, any kind of land man working for wages or working independently would both be excluded. CHAIRMAN SIMON said it would be proper to reinsert that language.

Closing by Sponsor:

The sponsor closed.

HEARING ON HB 342**Opening Statement by Sponsor:**

REP. BOB PAVLOVICH, HD 37, Silver Bow County, said this bill was an act revising the contractual relation between suppliers and distributors of table wine; referencing the applicability of Montana statutory provisions and prohibiting price control.

Proponents' Testimony:

Tom Hopgood, Montana Beer and Wine Wholesalers Association, said this will would require that individual wine distribution contracts be interpreted by the laws of Montana and that any contract provisions contrary to Montana law are void. The wine laws passed in 1991 have been obviated by inserting a provision into the contract. It would also prevent a winery from fixing or maintaining the wholesale price at which the distributor sells wine to the wholesaler. This is a practice which is already prohibited by law and the bill is simply clarifying that the winery cannot set the wholesale price of wine.

Dale Markovich, Butte Beer and Wine Wholesaler, said the bill requests that out-of-state,, in state wineries act according to the wine franchise law.

Harry Watkins, Zip Beverage said he supports this bill.

Opponents' Testimony:

Mona Jamison, Wine Institute, said they stand in opposition to section 1 of the bill because it is prohibitive but do support section 2.

Questions From Committee Members and Responses:

REP. ELLINGSON asked **Ms. Jamison** why she did not want the agreements interpreted under the laws of Montana. **Ms. Jamison** said she did not know enough about it to say that under all circumstances Montana law should prevail. There may be some very legitimate times when some other state statute should prevail in the interpretation. That can be resolved. A passing of this position actually would resolve that issue if there is some other law that affects what state statutes control the interpretation.

REP. ELLINGSON said in any dispute that arises under a distributorship agreement there is probably going to be resolution in Montana. **Ms. Jamison** said yes. **REP. ELLINGSON** then said they would be asking a judge or jury to apply the body of law to one particular entity. If it is not Montana, judges will be asked to educate themselves in the law of New York, California or some other jurisdiction about which he or she will probably know practically nothing in understanding of that. He asked whether that creates sufficient difficulties that, simply as a matter of convenience, the law of Montana should apply. **Ms. Jamison** said no because that same philosophy could be applied to the legislature where many people, including the lobbyists at the beginning, don't understand the full body and implications of a bill that they may be working on and as time goes on do educate themselves. She said she did feel that convenience of the court is necessarily a compelling social reason to get into this area.

REP. COCCHIARELLA asked why there was a time when all agreements should be governed by the laws of Montana. **Mr. Watkins** said it is a mutual "finding of each other" which is the situation. There are various wineries looking for new wholesalers. **REP. COCCHIARELLA** asked whether, if an agreement was negotiated, both the winery and the wholesaler would sign a contract that is created. **Mr. Watkins** said in most instances there are canned contracts that are given to the wholesalers. There is not a lot of negotiating involved. If a wholesaler wants a specific brand, they accept the contract as is. The wholesalers want the language so there is comfort level that there are certain rights. They will know what laws prevail and the installation of the termination clause.

REP. LARSON said Montana was a relatively small percent of the volume of the wine. He asked **Mr. Watkins** whether Montanans would pull out of Montana if the contracts were not to their liking. **Mr. Watkins** said that was a very minor possibility and these were not very drastic obligations to live up to. **REP. LARSON** asked what other states do this. **Mr. Hopgood** said he did not know. He did say, however, under the alcohol distribution laws that have been interpreted since the end of prohibition, the states have been given the widest possible latitude to control distribution.

CHAIRMAN SIMON said Montana had its own insurance laws. Those insurance laws may affect the products and the relationships insurance companies have with regard to the consumers of Montana. Montana laws would then apply to insurance contracts. He asked whether **Ms. Jamison** said she did not know. **CHAIRMAN SIMON** said if it were required by law that all of the insurance contracts in property and casualty or health and life be written in plain English, that would be a requirement that insurance companies must then follow even though they may not need to follow that in other states. **Ms. Jamison** said yes.

REP. ELLIS asked what areas held this problem. **Mr. Hopgood** said the bill contained the provisions of the bill. There are 60 days to cure the performance of the contract. A supplier cannot withhold its approval of the transfer of the distributorship.

REP. EWER asked whether, if this bill were enacted, it would be retroactive. There seems to be quite an overlay of federal and state law dealing with the alcohol industry. He wondered whether it would be necessarily true that one could make the claim that one state could encourage another state. Each state may have a sovereign and compelling interest in how it handles its affairs within the alcohol business. If the committee does not know for sure that contracts, regardless of when they are made, are subject to the absolute provisions of another state, **REP. EWER** requested his stating this be on the record. **Mr. Hopgood** said he was getting into a highly theoretical area of the law which is called conflict of laws. This indicates which laws, be they federal or state, apply. The basic common rule on contracts is the contract is generally to be interpreted by the law of the state where the contract is performed. In this situation the contract is to be performed in the state of Montana. The wholesaler obtains his wine in Montana and distributes that wine to retailers in the state. Without a provision in the contract that says it is to be governed by the state, it would in fact be governed by Montana. If there is a contract which deals with alcohol, the states have been given the widest possible latitude in exercising their sovereignty over that distribution of alcohol. The writing must be filed with the Liquor Division of the Department of Revenue. That contract must follow the provisions in subsection 2.

CHAIRMAN SIMON asked why California wineries would not want to comply with Montana laws, if there is something different in

California law that is beneficial to the California wineries that they would not want to comply with Montana law. **Ms. Jamison** said the Wine Institute and the California wineries do want to comply with Montana law. The contract which was shown was one from a New York winery. She said she would not suggest that every winery follows every particular section. That cannot be said about anything, she said. California wineries do want to follow the law. The provisions which **Mr. Hopgood** represented said this law was in effect. If the law is disobeyed, and that is the intent, adding these provisions is going to change that behavior. There are not contracts from all of the wineries saying every winery disobeys these laws. The attorney representing the distributor could challenge what was done to those provisions and actually raise the issue of which law applies and whether or not that particular provision is appropriate.

CHAIRMAN SIMON asked what position the Wine Institute takes with regard to this law. **Ms. Jamison** said Roger Tippy was the lobbyist representing the distributors. The amount of hours which went into the structuring of those major amendments in 1991 was more than time spent on any other bill. The Wine Institute did support this language.

TAPE 1, SIDE B

REP. ELLINGSON said sometimes there are agreements which provide that the state of "x" will be the state which has jurisdiction over the resolution of any dispute arising out of this agreement. If there is a lawsuit filed about this agreement it will be filed in some other state but Montana. **Mr. Jamison** said to a certain extent advocates find ways to present and advocate their particular clients' position. Contracts do say that.

Closing by Sponsor:

The sponsor closed.

EXECUTIVE ACTION ON SB 196

Motion: **REP. EWER** MOVED SB 196 BE CONCURRED IN.

Vote: Motion carried 18-0 with **REP. DEVANEY** carrying this bill on the floor.

EXECUTIVE ACTION ON SB 125

Motion: **REP. ELLIS** MOVED SB 125 BE CONCURRED IN. **REP. ELLIS** MOVED THE AMENDMENTS TO SB 125.

Discussion:

CHAIRMAN SIMON explained the amendments.

Vote: Motion to adopt the amendments of SB 125 carried 18-0.

Motion/Vote: REP. ELLIS MOVED SB 125 BE CONCURRED IN AS AMENDED. Motion carried 18-0 with REP. FELAND carrying the bill on the floor.

EXECUTIVE ACTION ON HB 342

Motion: REP. PAVLOVICH MOVED HB 342 DO PASS.

Vote: Motion carried 18-0 on HB 342.

EXECUTIVE ACTION ON HB 272

Motion: REP. COCCHIARELLA MOVED HB 272 DO PASS. REP. COCCHIARELLA MOVED THE AMENDMENTS.

Discussion:

REP. COCCHIARELLA explained the amendments.

REP. MILLS said it was a shame this issue must come to the legislature to require a business to do what they should do on their own.

Vote: Motion carried to adopt the amendments on HB 272. Motion carried 18-0.

Motion/Vote: REP. COCCHIARELLA MOVED DO PASS AS AMENDED. Motion carried 18-0.

EXECUTIVE ACTION ON HB 344

Motion: REP. PAVLOVICH MOVED TO TABLE HB 344.

Vote: Motion carried 18-0.

CHAIRMAN SIMON requested a recess at 9:20 AM. Committee reconvened at 10:00 AM.

HEARING ON HB 387

Opening Statement by Sponsor:

REP. WILLIAM BOHARSKI, HD 79, Flathead County stated this bill was an act clarifying that an insurer may give premium discounts to an insured based upon favorable aspects of the insured's driving record.

Proponents' Testimony:

Greg VanHorssen, State Farm Insurance, said they support this bill. They have offered an accident free discount for many years. That discount ranges between 10%-15%.

Gary Spaeth, Chief Counsel, State Auditor, supplied **EXHIBIT 2**.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. PAVLOVICH asked whether State Farm considers smoking and speeding fines. **Mr. VanHorssen** said these were claims made as per accidents caused by the insured.

REP. LARSON asked if this included hitting a wild game animal. **Mr. VanHorssen** said he was not in a position to answer that question. **Ron Asherbrenner, State Farm Insurance** said any payment made under liability coverage or any payment under the collision coverage for a single vehicle loss that exceeds \$400 is considered. Hitting a deer is a comprehensive loss and not fault.

REP. EWER said there is a difference between what should be proposed because **Mr. Spaeth** said the state could maintain driving record history for more than three years, and the language in the bill would strike out driving record. **Mr. Spaeth** said this would occur in the proposed amendment. It would not affect the other. He said he would have no problem with what Rep. Ewer was proposing.

CHAIRMAN SIMON asked whether, if he had received a speeding ticket when he was 18 years old, the speeding ticket would be considered a favorable aspect of his driving record. Only favorable things in a driving record could be reviewed. **Mr. Spaeth** said that if there were something unfavorable in a driving record, if there was a speeding ticket, it would be an unfavorable account. **CHAIRMAN SIMON** said it seems that insurance companies can only look back three years, but this bill seems to intend that, if you have had a good history over the last 20 years of no claims, no problems, the insurance company wants to reward that person.? He asked if the insurance companies are not going to look at the bad things because they are limited to three years but there are good thing for 20 years, they want to reward the driver. **Mr. Spaeth** said that was not the intention of the bill.

CHAIRMAN SIMON said that, as he reads this bill and the terms driving record or claims history, it appears the only considerations more than three years old would be favorable. Things which are not favorable would not be considered after

three years. For the record, he asked for clarification about the interpretation of this statute based on the language "based upon favorable aspects of a person's driving record or claims history." He asked whether the insurance company would be limited to favorable considerations more than three years old and would be excluded from looking for things which were negative. **Mr. VanHorssen** replied that is how he reads this bill. He added that it is important that this bill addresses discounts and an insurer's ability to reward an individual for a favorable history; that is precisely what the language, as proposed, would do.


CHAIRMAN SIMON then stated that the only negative aspects that an insurance company would be able to look at would be those negative aspects in a person's driving history and driving record which are three years old or less. **Mr. VanHorssen** said in the driving record this was the case.


Closing by Sponsor:

The sponsor closed.

ADJOURNMENT

Adjournment: 10:35 AM.


BRUCE T. SIMON, Chairman


ALBERTA STRACHAN, Secretary

BTS/ajs

HOUSE OF REPRESENTATIVES
BUSINESS AND LABOR COMMITTEE

ROLL CALL

DATE 2-7-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Bruce Simon, Chairman	X		
Rep. Norm Mills, Vice Chair, Maj.	X		
Rep. Bob Pavlovich, Vice Chair, Min.	X		
Rep. Joe Barnett	X		
Rep. Vicki Cocchiarella	X		
Rep. Charles Devaney	X		
Rep. Jon Ellingson	X		
Rep. Alvin Ellis, Jr.	X		
Rep. David Ewer	X		
Rep. Rose Forbes	X		
Rep. Jack Herron	X		
Rep. Bob Keenan			X
Rep. Don Larson	X		
Rep. Rod Marshall	X		
Rep. Jeanette McKee	X		
Rep. Karl Ohs	X		
Rep. Paul Sliter	X		
Rep. Carley Tuss	X		



HOUSE STANDING COMMITTEE REPORT

February 7, 1995

Page 1 of 1

Mr. Speaker: We, the committee on **Business and Labor** report that **Senate Bill 196** (third reading copy -- blue) be concurred in.

Signed:

A handwritten signature in cursive script, appearing to read "Bruce Simon", is written over a horizontal line.

Bruce Simon, Chair

Carried by: Rep. Devaney

Handwritten initials, possibly "DS", are written above the text.

Committee Vote:
Yes 18, No 0.

321424SC.Hbk



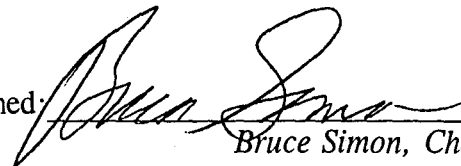
HOUSE STANDING COMMITTEE REPORT

February 7, 1995

Page 1 of 2

Mr. Speaker: We, the committee on **Business and Labor** report that **Senate Bill 125** (third reading copy -- blue) be concurred in as amended.

Signed:


Bruce Simon, Chair

Carried by: Rep. Feland

And, that such amendments read:

1. Page 4, line 16.

Following: "~~(i)~~"

Insert: ": (i) "

2. Page 4, line 20.

Following: "~~contract~~"

Insert: "; (ii) is paid for services that are directly related to the completion of a contracted specific task rather than on an hourly wage basis; and (iii) performs all services as an independent contractor pursuant to a written contract"

3. Page 6, line 28.

Following: "~~(i)~~"

Insert: ": (i) "

4. Page 7, line 2.

Following: "~~contract~~"

Insert: "; (ii) is paid for services that are directly related to


Committee Vote:

Yes 18, No 0.

321448SC.Hbk

the completion of a contracted specific task rather than on an hourly wage basis; and (iii) performs all services as an independent contractor pursuant to a written contract"

-END-



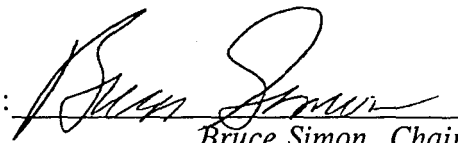
HOUSE STANDING COMMITTEE REPORT


February 7, 1995

Page 1 of 1

Mr. Speaker: We, the committee on **Business and Labor** report that **House Bill 342** (first reading copy -- white) **do pass**.

Signed: _____


Bruce Simon, Chair


Committee Vote:
Yes 18, No 0.

321449SC.Hbk

HOUSE OF REPRESENTATIVES

BUSINESS AND LABOR COMMITTEE

ROLL CALL VOTE

DATE 2-1-95 BILL NO. HB 234 NUMBER

MOTION: Do pass as amend

NAME	AYE	NO
Rep. Bruce Simon, Chairman		✓
Rep. Norm Mills, Vice Chair, Maj.	✓	
Rep. Bob Pavlovich, Vice Chair, Min.	✓	
Rep. Joe Barnett	✓	
Rep. Vicki Cocchiarella		✓
Rep. Charles Devaney	✓	
Rep. Jon Ellingson		✓
Rep. Alvin Ellis, Jr.	✓	
Rep. David Ewer	✓	
Rep. Rose Forbes	✓	
Rep. Jack Herron	✓	
Rep. Bob Keenan	✓	
Rep. Don Larson	✓	
Rep. Rod Marshall	✓	
Rep. Jeanette McKee	✓	
Rep. Karl Ohs		✓
Rep. Paul Sliter	✓	
Rep. Carley Tuss		✓

HOUSE OF REPRESENTATIVES

BUSINESS AND LABOR COMMITTEE

ROLL CALL VOTE

DATE 2-7-95 BILL NO. HB 234 NUMBER _____

MOTION: Do not pass

NAME	AYE	NO
Rep. Bruce Simon, Chairman	✓	
Rep. Norm Mills, Vice Chair, Maj.		✓
Rep. Bob Pavlovich, Vice Chair, Min.		✓
Rep. Joe Barnett		✓
Rep. Vicki Cocchiarella	✓	
Rep. Charles Devaney		✓
Rep. Jon Ellingson	✓	
Rep. Alvin Ellis, Jr.		✓
Rep. David Ewer	✓	
Rep. Rose Forbes		✓
Rep. Jack Herron		✓
Rep. Bob Keenan		✓
Rep. Don Larson	✓	
Rep. Rod Marshall		✓
Rep. Jeanette McKee		✓
Rep. Karl Ohs	✓	
Rep. Paul Sliter		✓
Rep. Carley Tuss	✓	

7 11

STATEMENT OF
AMERICAN INSURANCE ASSOCIATION
BY
JACQUELINE TERRELL LENMARK
RE SB 196 REPEALING THE MONTANA RATEMAKING ACT

Mr. Chairman and members of the committee:

My name is Jacqueline Lenmark. I am a lawyer from Helena and a lobbyist for the American Insurance Association. The American Insurance Association is a national trade association that promotes the economic, legislative, and public standing of its some 250-member property-casualty insurance companies. The Association represents its participating companies before federal and state legislatures on matters of industry concern.

The American Insurance Association strongly supports SB 196.

This is a bill to repeal Montana Ratemaking Act. The Ratemaking Act was enacted in 1989. In 1989, Montana was experiencing a crisis in medical malpractice insurance. Doctors were leaving rural areas. Rural areas were having difficulty attracting doctors. During the 1989 session, there were a number of proposals designed to address this situation. One of those proposals came from then Commissioner of Insurance Andrea Bennett as the Ratemaking Act.

When repealing a statute, it is important to understand what the purpose of the statute was and why it is no longer necessary. The Montana Ratemaking Act was a supplement to the Insurance Commissioner's usual and proper regulatory authority. It permitted the Commissioner to declare a particular line of insurance to be "noncompetitive" or "volatile." If the Commissioner made such a

declaration, the Commissioner could then superimpose a rate different than the rate a company determined was necessary for its insurance product. Although it was the intent of the law to apply only to medical malpractice insurance, its application reached to all lines of insurance.

It has been six years now since the enactment of the Ratemaking Act, and the collective experience of the insurance industry and the Insurance Commissioner tells us that the law did not work. First, it was necessary to define through the rulemaking process what was a "noncompetitive" or "volatile" line. Definitions were adopted, but could never be created with appropriate specificity so that the Commissioner or companies could know when a line of insurance was in that condition. More importantly, with a lack of predictability of when a line might be declared to be in that condition, insurance companies were reluctant to enter the Montana insurance market. Assurance that a company could underwrite a risk appropriately was jeopardized. Consequently, competition in the insurance market, especially the medical malpractice insurance market, diminished. Competition amongst insurance companies is the most effective rate stabilizer.

If the law is repealed, as we are asking, let me tell you what regulation will be left in place? Insurance companies will still be regulated. The Insurance Commissioner will have all of his historical and proper regulatory authority. He will still be able to examine insurance rates filed in Montana and declare them to be

inadequate, excessive, or unfairly discriminatory, if that is the case. This repeal will diminish none of his proper regulatory authority.

Why will the repeal be beneficial? First, the law has never been implemented. Both the insurance industry and the Insurance Commissioner have attempted to work with the law. It has proven to be unworkable. Second, the law has been ineffective in addressing the problem it was designed to resolve. It has not resolved the medical malpractice insurance crisis. Doctors are still concerned about that problem. Third, and most important, removal of the law will be a step in the right direction in responding to insurance crises. Repeal will encourage companies who have been interested in marketing their products in Montana to reenter the Montana insurance market. That reentry will encourage competition. Competition will effectively stabilize and bring down insurance rates.

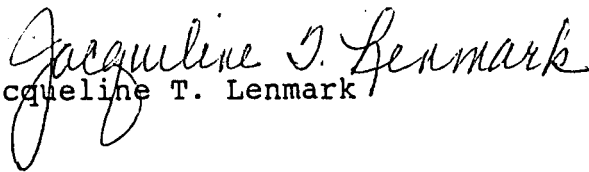
Our Insurance Commissioner has gone on record that competition and good regulation are good for the Montana insurance consumer. We agree. My member companies believe that this repeal, more than any other measure, will encourage that competition.

Before bringing this bill to the legislature, it was discussed amongst all insurance industry associations, the Insurance Commissioner, and physicians. All are in agreement that the repeal will be beneficial.

Please give this bill a "do pass" recommendation. The law was passed to address and resolve a specific problem. It did not

resolve the problem. Passage will increase competition. Competition will stabilize rates. A beneficial effect on rates should stimulate more accessible medical care in Montana.

Respectfully submitted to House Business and Labor Committee for hearing on Senate Bill 196, Tuesday, February 7, 1995, 8:00 a.m.


Jacqueline T. Lenmark

TALKING POINTS FOR HB-409

EXHIBIT 2
DATE 2-7-95
HB 387

2/7/95

TO: Rep. Joe Barnett

(INTRODUCTION)

HB-409 IS A CONSUMER BILL....A BILL ABOUT FAIRNESS....AND A BILL ABOUT ECONOMICS.

HB-409 IS ABOUT SERVICES AVAILABLE IN A DETACHED FACILITY OF A BANK. A DETACHED FACILITY, OF COURSE, IS WHAT CUSTOMERS NORMALLY CALL A DRIVE-UP WINDOW FACILITY THAT IS DETACHED FROM THE MAIN BANK OFFICES. CURRENTLY, A DETACHED FACILITY UNDER MONTANA BANKING LAWS IS LIMITED TO RECEIVING DEPOSITS, CASHING CHECKS, RECEIVING PAYMENTS AND OTHER TRANSACTIONS THAT ARE NORMALLY CONDUCTED AT A TELLER WINDOW IN THE MAIN BANKING HOUSE. HB-409 WILL PERMIT DETACHED FACILITIES TO OPERATE WITH FULL SERVICE; THAT IS PROVIDE ANY SERVICE THAT IS NORMALLY OFFERED AT THE MAIN BANK. SUCH FULL SERVICE WOULD INCLUDE SUCH BANKING TRANSACTIONS AS TAKING OUT A LOAN OR OPENING A CHECKING ACCOUNT.

#1 IN MY OPENING, I SAID THIS IS A "CONSUMER" BILL. IT IS. BANKING CUSTOMERS TODAY WANT TO DO BUSINESS IN THEIR LOCAL NEIGHBORHOODS. THEY ARE INCONVENIENCED WHEN THEY HAVE TO TRAVEL A GOOD DISTANCE TO THE MAIN OFFICE OF A BANK TO MERELY OPEN A NEW ACCOUNT, TAKE OUT

A SIMPLE CREDIT-CARD LOAN FOR \$100 OR DISCUSS THEIR PERSONAL FINANCIAL AFFAIRS WITH A BANKING OFFICIAL. THIS IS IRRITATING, TIME CONSUMING AND FRUSTRATING....AND, IT IS PUTTING OUR SMALL-TOWN BANKS AT A DISADVANTAGE WITH THE COMPETITION.

SECONDLY, I SAID THIS WAS A "FAIRNESS" BILL. IT IS. TODAY, SAVINGS AND LOANS AND CREDIT UNIONS HAVE THE ABILITY TO OPERATE A FULL-SERVICE DETACHED FACILITY IN ANY NEIGHBORHOOD IN MONTANA.

AND, FINALLY, I SAID THIS IS AN "ECONOMIC" BILL. IT IS. HB-409 ALLOWS FULL-SERVICE FOR SMALL BANKS, BUT IT DOESN'T MANDATE IT. BANKS IN MONTANA, UNDER HB-409, WILL BE PERMITTED TO OPERATE FULL SERVICE, BUT NO BANK IS GOING TO DO IT UNLESS THE ECONOMICS OF OPERATING FULL SERVICE ARE PROVEN. IF THE NEED IS THERE, OUR SMALL BANKING COMMUNITY WILL BE ABLE TO FILL THAT NEED.

HB-409 IS FLEXIBLE. IT IS FAIR. AND, IT PUTS ALL OUR FINANCIAL INSTITUTIONS IN MONTANA ON AN EVEN PLAYING FIELD.

ONE LAST POINT....HB-409 IS NOT A BRANCH BANKING BILL. ON LINE 4, PAGE 2 THIS BILL SPECIFICALLY PROHIBITS ANY FULL-SERVICE DETACHED FACILITY FROM BEING CONSIDERED A BRANCH BANK. BUT I WILL LET THE BANKING EXPERTS EXPLAIN THIS POINT MORE FULLY.

THANK YOU FOR YOUR ATTENTION, AND I HOPE YOU WILL GIVE HB-409 A "DO PASS" RECOMMENDATION.

I RESERVE THE RIGHT TO CLOSE, MR. CHAIRMAN.

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

Business & Labor

DATE 2-7-95

BILL NO. HB 342 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
Tom Hopgood	Mt. Bear Wine Wholesaler	✓	
Dale Markovich	" " "	✓	
Harry Watkins	" " "	✓	
DON BROCOPP	" " "	✓	
ED BRANDT	" " "	✓	
Mona Jamison	MT WINE INST.		✓
Rag			
Charles R. Brooks	MT Food Dist Assoc	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

Business & Labor

DATE 2-7-95

BILL NO. SB196 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
<u>Luz Sprath</u>	<u>St. Andrew</u>	X	
<u>Greg Van Horssen</u>	<u>State Farm</u>	X	
<u>ROGER McBLENN</u>	<u>INDEPENDENT INS. AGENTS ASS. OF MI</u>	X	
<u>Marguerite Denmark</u>	<u>Am. Ins. Assoc.</u>	✓	
<u>WARRY ALEY</u>	<u>NATIONAL ASSOC OF INDEPENDENT INSURERS</u>	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

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NAME AND ADDRESS	REPRESENTING	Support	Oppose
<i>Joe Murcrum</i>	<i>MT Petroleum Assoc</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
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NAME AND ADDRESS	REPRESENTING	Support	Oppose
<i>Shy & Faith</i>	<i>ST. Auditor</i>	X	
<i>Greg Van Horssen</i>	<i>State Farm</i>	X	
<i>Jacqueline Denmark</i>	<i>Am. Ins. Assoc</i>	✓	
<i>LARRY AKEY</i>	<i>NATIONAL ASSOC OF INDEPENDENT INSURERS</i>	✓	
<i>R. Ashabram</i>	<i>State Farm</i>	✓	

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