

**MINUTES**

**MONTANA SENATE  
54th LEGISLATURE - REGULAR SESSION**

**COMMITTEE ON BUSINESS & INDUSTRY**

**Call to Order:** By **CHAIRMAN JOHN HERTEL**, on February 9, 1995, at 8:00 a.m.

**ROLL CALL**

**Members Present:**

Sen. John R. Hertel, Chairman (R)  
Sen. Steve Benedict, Vice Chairman (R)  
Sen. William S. Crismore (R)  
Sen. C.A. Casey Emerson (R)  
Sen. Ken Miller (R)  
Sen. Mike Sprague (R)  
Sen. Gary Forrester (D)  
Sen. Terry Klampe (D)  
Sen. Bill Wilson (D)

**Members Excused:** N/A

**Members Absent:** N/A

**Staff Present:** Greg Petesch, Legislative Council  
Carla Turk, Recording Secretary, in absence of  
Lynette Lavin, Committee Secretary

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

**Committee Business Summary:**

Hearing: SB 253, SB 243, SB 261  
Executive Action: SB 261 TABLED  
SB 243 DO PASS AS AMENDED

**HEARING ON SB 253**

**Opening Statement by Sponsor:**

**SEN. RIC HOLDEN, SD 1, Glendive**, said SB 253 dealt with the insurance fraud act which focused on the insurance industry. **SEN. HOLDEN** said insurance fraud was a multimillion dollar societal problem on which the insurance industry spent more than \$200 million per year to combat. He said insurance fraud was a consumer issue because consumer premium dollars were used to fund insurer efforts to detect and deter insurance crimes. **SEN. HOLDEN** said proposed legislation provided immunity for those who

reported insurance fraud and those who suspected the occurrence of insurance fraud from civil liability.

**SEN. HOLDEN** said currently, the system dealt with providing consumers an avenue of complaint against insurers but the insurance department really had no teeth to combat insurance crime.

**Proponents' Testimony:**

**Jacqueline Lenmark**, American Insurance Association (AIA), also representing Tom Hopgood, Health Insurance Association of America (HIAA), and Tanya Ask, Blue Cross/Blue Shield (BC/BS), said all associations supported SB 253. **Ms. Lenmark** said insurance fraud costs the industry which in turn passed the costs to the consumer. She claimed while the industry had been aggressive in attempting to prosecute the fraud, it was important for insurance commissioners in all 50 states to have the necessary tools to assist the industry.

**Ms. Lenmark** said SB 253 defined what insurance fraud was; gave specific prosecutorial powers to the insurance commissioner; provided for cooperation between the insurance commissioner and other law enforcement agencies, both state-wide and nation-wide; imposed a duty upon insurance companies, producers, brokers, adjusters and consumers to report suspected fraud so as to enable adequate investigation and prosecution. She said the imposition of the duty brought fear of prosecution, so SB 253 allowed immunity from liability to those who, with reason, reported suspected insurance fraud.

**Ms. Lenmark** commented SB 253 set up a two-tiered mechanism for dealing with insurance fraud: (1) allowed the commissioner to impose civil penalties where fraud was discovered; (2) made insurance fraud a crime, misdemeanor or felony under Montana statute. She reminded the committee SB 253 provided tools and remedies for insurance commissioners and prosecutors to use in detecting and prosecuting insurance fraud.

**Ms. Lenmark** informed the committee the language of SB 253 was based on both the National Association of Independent Insurers (NAII) and NAIC model, and was a more abbreviated form than originally discussed with the insurance commissioners, i.e. initially, the plan was to have a fraud unit within the commissioner's office. She said SB 253 gave the commissioners and prosecutors another tool to aggressively pursue persons who were defrauding the system. She urged DO PASS for SB 253.

**Ward Shanahan, Attorney**, read his written testimony, **EXHIBIT #1**.

**Larry Akey**, National Association of Independent Insurers (NAII), said SB 253 was about preventing and prosecuting insurance fraud. He informed the committee, national estimates showed about 10% of filed insurance claims were fraudulent, which meant Montana's

figures would be 10% of the \$40 million paid out in property and casualty claims, i.e. \$4 million paid out in fraudulent claims. He reminded the committee the insurance companies didn't just absorb those costs; they passed them to the consumers in the form of higher premiums. **Mr. Akey** referred to Section V and said it was intended to say if fraud was suspected, it needed to be reported to the authorities. He said Montana already had good laws in place which governed misconduct by insurance companies and agents; however, **SB 253** extended the law to clarify, define and prevent misconduct by a few insurance consumers. **Mr. Akey** suggested solutions to the fraud problem were a partnership and **SB 253** supplied the tools needed in the effort to hold down insurance costs. He urged DO PASS for **SB 253**.

**Ron Ashabraner, State Farm Insurance Company**, said last year, State Farm paid \$48,829,609 in auto claims and \$15,809,975 in fire and casualty. He maintained 10% fraud was a realistic low figure and said State Farm had about 300,000 policies in force in Montana, and the 10% figure would be a significant amount which could be returned to the policy holders by way of premium reduction. He urged DO PASS for **SB 253**.

**Denny Moreen, American Council of Life Insurance**, expressed support for **SB 253**, and said he would have some amendments ready later in the day. He explained he would submit: (1) Page 3, Section 5, which would include language to have the insurance commissioner notify insurance companies as to the disposition of any investigation of provided information; (2) Section 7, which allowed immunity for insurers to share among themselves fraud information. **Mr. Moreen** urged DO PASS for **SB 253**.

**Roger McGlenn, Executive Director of Independent Insurance Agents Association of Montana**, expressed support for the concept of **SB 253** in addressing insurance fraud through insurance statutes; however, they were concerned about the broad language. He said those concerns had been addressed through conversations with the proponents, the insurance department and bill drafters. His association wanted to share the concerns.

(1) Section 2 -- the language was very broad; nothing went to the intent or motivation of the person. "Knowingly" or "purposely knowingly" found in Section 9 were absent in Section 2; instead, "presents" or "causes to be presented" was the language, which could mean when someone applied for auto insurance, he might unintentionally omit reporting one speeding ticket and thus be guilty of fraud;

(2) Section 5 -- singled out independent specialists for cooperation and obligated them to police the fraud issue by requiring them to report any suspected fraud. **Mr. McGlenn** wondered why company employees were not included, and was told there were company policies to handle such issues; however, he contended independent specialists had contractual agreements with insurance companies, which also outlined procedures and guidelines;

(3) Section 7 -- the persons ordered to act in Section 5 were not listed in Section 7 in the immunity section; yet, "any other person" was used. **Mr. McGlenn** suggested mirror language be used in both Sections 5 and 7;

(4) Section 5, Subsection 3 -- was not understandable, i.e. the intent needed to be questioned;

(5) Section 9 -- "purposely" and "knowingly" established the standard of care.

**Mr. McGlenn** reiterated his organization supported the concept of SB 253 and expressed a desire to work with the committee and legal staff to address the concerns.

**Mike Craig, Montana Health Care Authority**, commended **SEN. HOLDEN** for bringing SB 253 before the committee. He said the Health Care Authority had identified insurance fraud as an issue which needed reform; the Authority had estimated \$40 million was included in consumer insurance premiums to cover fraud. **Mr. Craig** suggested cooperation among consumers, providers and the industry would help lower that figure. He urged the committee's support for SB 253.

**Frank Cote, Deputy Insurance Commissioner**, said his office would have the authority to enforce SB 253, if passed. He said the purpose of SB 253 was to create the Insurance Fraud Act, which would help eliminate some insurance fraud; thereby, reducing consumer premiums. **Mr. Cote** said it was estimated each American family paid about \$800 extra per year due to insurance fraud. He reminded the committee the 1993 legislature passed legislation which funded investigation to combat workers' compensation fraud, and the legislation seemed to be working. He distributed copies of a news article, **EXHIBIT #2**. He stated one concern SB 253 posed was the use of "broker" and "agent", neither of which were in insurance statute.

**Debbie Berney, Professional Insurance Agents of Montana**, offered support for SB 253.

**Aiden Myhre, State Fund**, said the 1993 legislation enabled the State Fund to investigate 435 cases, for a return of \$2.2 million. **Ms. Myhre** encouraged support for SB 253.

**Opponents' Testimony:** None.

**Questions From Committee Members and Responses:**

**SEN. STEVE BENEDICT** asked why **SEN. HOLDEN** had not signed the fiscal note. **SEN. HOLDEN** said it was because it was not known whether an additional FTE would be needed.

**SEN. BENEDICT** asked **SEN. HOLDEN'S** opinion on the proposed amendments. **SEN. HOLDEN** said he didn't see many problems with any of the amendments.

**SEN. BENEDICT** asked **SEN. HOLDEN** if he would be willing to work with the people who proposed amendments and bring them back to the committee. **SEN. HOLDEN** said he would.

**SEN. GARY FORRESTER** asked what the Appropriations Subcommittee had done to the Auditor's Office, in terms of FTE reduction. **Mr. Cote** said a substantial part of their budget had been removed, including three FTE's. **Mr. Cote** said currently the Auditor's Office had two investigators on staff who dealt with claims by agencies against consumers; their workload was full and already they didn't have time to review some of the cases.

**SEN. FORRESTER** asked how **SB 253** would work, especially considering **Mr. Cote's** testimony. **SEN. HOLDEN** suggested the legislation be passed to allow the Commissioner's office to attempt to do the job. If it could not be done with the present manpower, the legislature could rectify the situation at the next legislative session.

**SEN. FORRESTER** asked if the Auditor's Office was overstaffed. **SEN. HOLDEN** said he didn't know.

**SEN. TERRY KLAMPE** asked how **SB 253** would result in lower premiums. **Mr. Cote** said it would happen if some of the fraud could be eliminated.

**SEN. KLAMPE** asked if he had evidence of premiums being lowered. **Mr. Cote** said he had nothing to show a direct correlation between fraud conviction and premium reduction; however, he had talked with other states who had experienced premium reduction.

**SEN. KLAMPE** commented he could see where insurance companies would be helped, but he wondered if there was evidence the consumer would actually be helped. **SEN. HOLDEN** said it was common sense if a company wasn't spending time and money on cases, there would be more opportunity to provide competitive premiums.

**SEN. KLAMPE** asked for evidence of the consumer being helped. **SEN. HOLDEN** said there could be no evidence until **SB 253** was in effect.

**SEN. MIKE SPRAGUE** asked if the Justice Department helped the Insurance Commissioner's Office in fraud investigations. **Mr. Cote** said the State Auditor's Office included criminal justice agencies, similar to the Department of Justice. He said his office had the expertise in insurance issues; to his knowledge, the criminal justice agencies had not investigated any insurance issues. **Mr. Cote** reported information was shared among the agencies because at times investigation revealed information which could interest other agencies.

**SEN. CASEY EMERSON** asked which states, if any, were used as models in the drafting of **SB 253**. **Ms. Lenmark** said the

definition of the Insurance Fraud Act came primarily from a statute passed in Idaho; the language for SB 253 came basically from that statute and from the National Association of Insurance Commissioners. She also said the insurance code was carefully scrutinized for use in drafting SB 253, and if the code already granted the authority, that power was not included in SB 253.

SEN. EMERSON asked how long ago Idaho had passed the Insurance Fraud Act, and what were the results. Ms. Lenmark said it was passed three or four years ago; however, she had no statistics. She said even a small, significant law change could result in a change in rates.

SEN. KLAMPE commented since Montana spent state dollars to investigate fraud and to convict perpetrators of the fraud, thereby saving insurance companies money, why couldn't the savings be passed to the consumer through premium savings. Mr. McGlenn answered, when legislation to investigate and convict fraud was enacted, the savings to the consumer were not immediately noticeable. He said insurance companies would wait to see if passed legislation would be upheld by the state courts and what the savings would be on an actuarial basis. Mr. McGlenn conveyed, at that time, the competitive marketplace would begin to pass the savings to the consumer.

Closing by Sponsor:

SEN. HOLDEN said one of the campaign issues was health care reform, and if the committee would consider all the parts which would be coming before them during the next month, a comprehensive program, wanted by the Montana people, could be formed. He stated, it was a fact, premiums were based on losses; when losses decreased, premiums decreased. SEN. HOLDEN asked DO PASS for SB 253.

CHAIRMAN JOHN HERTEL reminded those who had amendments to meet with the legal staff immediately.

HEARING ON SB 243

Opening Statement by Sponsor:

SEN. BILL WILSON, SD 22, Great Falls, said SB 243 was a simple bill, brought at the request of local ski operators. He stated Montana code required (Lines 22-23) a current copy of "The Skier's Responsibility Code" be posted in a conspicuous location. He said "current as of April 4, 1989" was stricken because it referred to the old "Skier's Responsibility Code". SEN. WILSON referred to the handouts which had been distributed earlier, explaining EXHIBIT #3 was the old and EXHIBIT #4 was the new. He informed the committee the new was necessary because of the explosion of snowboarding recreation.

Proponents' Testimony:

Pat Melby, Montana Ski Areas Association, said SB 243 was a housekeeping bill to accommodate the updating by the Montana Ski Areas Association.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

SEN. JOHN HERTEL asked what would happen if "current" would be placed between "the" and "skier" on Line 6, thereby making it unnecessary for legislative update every four or five years. Pat Melby said it made good sense; however, problems occurred when "current" was used because the code in effect at the time of the passed legislation was delegated to legislative authority, i.e. it could not be updated as if it were an organization.

Greg Petesch agreed with Mr. Melby's interpretation that an entity could not amend statute through authority delegated to them; however, since this was a posting requirement, he didn't think it would be an unlawful delegation of authority to require posting of the most current version, i.e. posting, not amending, would be taking place. He said in that way, future amendments could be avoided.

Pat Melby said SEN. HERTEL'S suggestion would be fine and he expressed appreciation for not having to return periodically to the legislature for an updated version.

Closing by Sponsor:

SEN. WILSON thanked the committee for the language which would make it unnecessary to reappear before the legislature.

HEARING ON SB 261Opening Statement by Sponsor:

SEN. MIKE SPRAGUE, SD 6, Billings, said SB 261 was drafted because several years ago he was visiting in Oregon, and when he tried to fill his car with gas, he was told it was not legal to self-serve. He said he asked the State of Oregon for a copy of the bill which covered the law and presented it as a conceptual idea, not knowing whether it would be drafted as a bill.

SEN. SPRAGUE said the welfare reform concept was recipients would need to be off welfare within 18 months or two years, the idea being those persons would have a job. He said he called SB 261 his "Micron Low-Tech Jobs" bill, explaining about 3,500 jobs

would be created for the 12,000+ people on welfare to help them mainstream back into the working society.

{Tape: 1; Side: B;}

**SEN. SPRAGUE** said he used "conceptual" when talking about restoring full service at gas stations because a few years ago, if someone had said he might like to hire a store greeter, he would have been thought a bit strange; however, today many stores had done just that. He opined the business industry had neglected the service aspect.

**SEN. SPRAGUE** suggested the reason Oregon law made self-service unlawful was the volatility of gasoline, the risk of the driver leaving without paying, and the safety issue of requiring two people to be on the job.

**SEN. SPRAGUE** commented advantages of **SB 261** included non-gender, because both sexes could do the work. He declared people without previous job experience or education could be employable, communication skills could be developed, and the concept of making change could be learned. He reminded the committee about 50% of today's drivers were women who may or may not know when their vehicle was unsafe. He suggested the elderly and tourists could benefit from the full service concept.

**SEN. SPRAGUE** said he would like the intent in **SB 261** be a cooperative effort between an industry who recognized its responsibilities to society and public officials who had a responsibility to encourage job employment.

Proponents' Testimony: None.

Opponents' Testimony:

**Ronna Alexander, Petroleum Marketers Association**, said her association had about 125 wholesale members, most of whom also owned retail locations. **Ms. Alexander** said **SB 261** had merit; however, a problem for the petroleum industry would be the consumer who currently had the option for either full or self service. She informed the committee she thought the fiscal note which said the consumer would pay 10-12 cents more per gallon for full service was a fair estimate; however, since no other state had made the change, there could be no comparison.

**Ms. Alexander** commented if the option were possible and if it would create jobs, talking about it would be feasible; more importantly, considering options for the consumer.

**Rex Manuel, CENEX Petroleum Division, Laurel**, said one objection was wholesalers didn't want to pay the extra 10-12 cents per gallon to pump the fuel, the cost of which would be passed on to consumers. He referred to #3 in the fiscal note, "could reduce



fuel tax revenues accordingly", and said it meant state revenues could be reduced. **Mr. Manuel** said he saw no way to amend **SB 261**.

**Bill Stevens, Montana Food Distributors Association**, expressed opposition for **SB 261**.

Questions From Committee Members and Responses:

**SEN. WILLIAM CRISMORE** commented the gasoline needs of state employees would cost Montana about \$125,000 more per year, and asked **SEN. SPRAGUE** how that could be supported when a concerted effort was being made to cut the budget. **SEN. SPRAGUE** said **SB 261** would apply to retailers selling fuel.

**SEN. BENEDICT** said if tax credits were given the petroleum industry but not other industries who created low-paying jobs, it really wasn't fair. **SEN. SPRAGUE** said tax credits were given to McDonald's by way of exempting them from the minimum wage standard, and to the fuel industry by guaranteeing a 6-cent-per-gallon profit. He suggested reinvesting the credits back into jobs.

**SEN. BENEDICT** asked about the favor of requiring the petroleum industry to create approximately 28,500 jobs. **SEN. SPRAGUE** reminded **SEN. BENEDICT** that **SB 261** was conceptual, and said in his years of business development, he prided himself on his ability to turn liabilities into assets; service was the key.

**SEN. WILSON** asked for more information regarding Oregon. **SEN. SPRAGUE** said Oregon hadn't always had full service, even though some seemed to think it had.

**SEN. EMERSON** asked what the price difference was between self service and full service. **Ronna Alexander** said it was about 15 cents per gallon.

**SEN. EMERSON** asked how much gasoline, on the average, a service station pumped. **Ms. Alexander** answered a high volume station might pump 30-40 thousand gallons per month.

**SEN. BENEDICT** suggested welfare recipients move off food stamps, food stamps be delegated to the retailer who would hire that person for 20 hours a week.

**SEN. KLAMPE** asked **SEN. SPRAGUE** if he supported **SEN. WILSON's** bill which increased minimum wage to \$5.00/hour. **SEN. SPRAGUE** said he supported any wage which would give value to the price of \$5.00, as opposed to the price of \$5.00. He commented he had heard one welfare recipient costs taxpayers \$1,000 - \$1,600 per month and explained if that recipient could earn \$4 - \$5 per hour at 20 hours per week, and used that wage to offset the welfare benefit, the taxpayer could realize considerable savings. **SEN. SPRAGUE** said the idea he liked best about **SB 261** was it created an air of self-help and dignity for the welfare recipient.

Closing by Sponsor:

SEN. SPRAGUE thanked the committee for the debate, and said he would like to see SB 261 debated on the Senate floor.

EXECUTIVE ACTION ON SENATE BILL 243

Motion/Vote: SEN. GARY FORRESTER MOVED TO ADOPT AMENDMENTS 341235SC.SPV. The motion CARRIED UNANIMOUSLY by voice vote.

Motion/Vote: SEN. STEVE BENEDICT MOVED SB 243 DO PASS AS AMENDED. The motion CARRIED UNANIMOUSLY by voice vote.

EXECUTIVE ACTION ON SENATE BILL 261

Discussion: SEN. EMERSON asked if it would be beneficial to explain SB 261 to welfare people. SEN. SPRAGUE said he had and they had planned to be there to testify. SEN. EMERSON suggested the welfare office help subsidize the creation of jobs; perhaps only about 1,000 jobs would be created, but it would be a start.

SEN. CRISMORE suggested SB 261 not be taken to the Senate floor.

SEN. WILSON said he liked the 20-hour community service idea; however, he wondered what would be done about Workmans' Compensation.

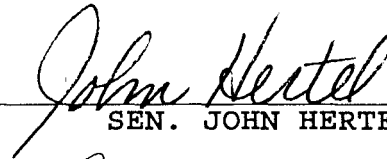
SEN. BENEDICT said he saw too many problems with taking the concept to the Welfare Department because there were 100,000 Montana retailers who could use help from those on welfare. He said targeting one industry was wrong from the standpoint of free enterprise, i.e. being forced by the government to provide better service.

Motion/Vote: SEN. CASEY EMERSON MOVED TO TABLE SB 261. The motion CARRIED 6-3 on roll call vote (#1).

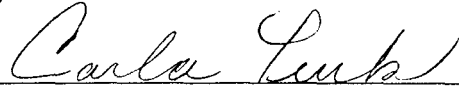
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ADJOURNMENT

Adjournment: The meeting adjourned at 9:52 a.m.



SEN. JOHN HERTEL, Chairman



CARLA TURK, Secretary



LYNETTE LAVIN, Secretary

The minutes were recorded by Carla Turk and edited and proofed for content by Lynette Lavin.

JH/11

MONTANA SENATE  
1995 LEGISLATURE  
BUSINESS AND INDUSTRY COMMITTEE

ROLL CALL

DATE \_\_\_\_\_

2/9/95

[illegible]

SEN:1995  
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CS-09

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
February 9, 1995

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration SB 243 (first reading copy -- white), respectfully report that SB 243 be amended as follows and as so amended do pass.

Signed: John Hertel  
Senator John R. Hertel, Chair

That such amendments read:

1. Page 1, line 22.  
Following: the first "the"  
Insert: "current"
2. Page 1, line 23.  
Following: "association"  
Strike: "and" through "1995"

-END-

PV Amd. Coord.  
SA Sec. of Senate

341235SC.SPV

MONTANA SENATE  
1995 LEGISLATURE  
BUSINESS AND INDUSTRY COMMITTEE  
ROLL CALL VOTE

DATE 2-9-95 BILL NO. 5B261 NUMBER 1

MOTION: Senator Emerson moved to  
Table SB 261

[illegible]

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CS-11

**Statement of The Farmers Insurance Group of Companies**

**In Support of Senate Bill 253**

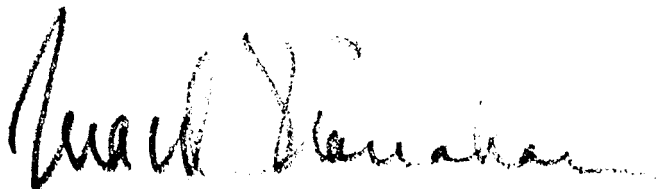
Mr. Chairman and members of the Senate Business and Industry Committee:

My name is Ward Shanahan, I'm a Helena lawyer and I represent The Farmers Insurance Group of Companies. We are in strong support of Senate Bill 253 because it defines and clarifies the offense of insurance fraud. Insurance fraud is one of the unnecessary costs of our business which is passed on to the other purchasers of our product, you the insurance consumers.

This bill establishes a clear definition of this offense, and also sets up a procedure for handling these cases within the office of the Insurance Commissioner. Most important among these new provisions is Section 7 which provides immunity from suit, in the absence of malice, to any person reporting an insurance fraud to the commissioner's office. Our business is computerized for speed and efficiency. But a high-speed operation, involving tens of thousands of policies and claims every day is vulnerable to manipulation by unscrupulous people. Although the speed is necessary to answer the demand for the product, the sheer volume results in a reduction in our ability to quickly identify and apprehend those people who choose to use the system for their own financial gain.

As a result our ability to deliver a valuable service to you at a reasonable price, is adversely affected.

We would appreciate your support for Senate Bill 253 by giving it a DO PASS recommendation!



Ward A. Shanahan  
33 South Last Chance Gulch  
Helena, Montana  
Tel: (406) 442-8560

**IW INSURANCE WEEK****FEBRUARY 6, 1995**

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**Irwin Mesher**  
Founder**Doug Canfield**  
Publisher**Ron Gillmeister**  
Executive Editor**Richard Rambeck**  
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Oregon Law**Rescue Control Type Specialists**  
Publication Design**Washington Office:** 1001 Fourth Avenue Plaza, Suite 3029, Seattle, WA 98154. Telephone (206) 624-6965; Fax (206) 624-5021.**California Office:** P.O. Box 1087, Folsom, CA 95630. Telephone (916) 983-7170; Fax (916) 983-1704.**Advertising:** Doug Canfield (Seattle: 206/624-6965; Los Angeles: 213/381-1636). Ron Gillmeister (Folsom, CA: 916/983-7170).**Editorial & Circulation:** Direct all inquiries to the Washington office. Subscriptions are \$30 per year, \$56 for two years and \$75 for three years; single copies are \$2.

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# Fraud: Funny Stories, Sad Results

By Richard Rambeck/Editor

There are, I'm told, certain ironclad rules germane to insurance underwriting, one of which is that it is not possible to store a 25-foot boat in a 19-foot locked garage. Ergo, when someone claims, as a Boston man did recently, to have had the former stolen from the latter, red flags appear on the horizon. Further, claiming such a loss earned him honorable mention on the Coalition of Insurance Fraud's "Top 10 Insurance Fraud Cases of 1994." The guy might have made the top 10 if he had just had the foresight to assert that 1,000 25-foot boats were stolen from his garage, but then foresight wasn't this gentleman's strongest suit.

I read the Coalition's list with decidedly mixed reactions. Some of the stories were borderline hysterical, such as the case of the Florida dentist who paid two brothers to whack off the dentist's finger with an ax and claim it as an accident, whereupon the dentist collected a \$1.3-million lump-sum settlement from one brother's homeowners policy. The dentist then filed a claim on his practice's disability policy. He also used some of his ill-gotten digit-depletion-allowance cash to buy a boat he dubbed "Minus One." The dentist and the brothers are now in jail and under orders to make restitution, although the good doctor is unlikely to get his finger back.

A belly laugh, to be sure, but much of the list — our intrepid dentist placed second in the top 10 — contained stories with far more sadness than silliness. Three insurance professionals — William Loeb, Stephen Coker and Arthur Blumeyer — are charged with or have been convicted of misappropriating more than \$100 million in premium. Loeb (\$43 million) is serving seven years in prison; Coker (at least \$30 million) is on the run; and Blumeyer (\$43.5 million) was convicted last February of 27 counts of conspiracy, money laundering and fraud, but that conviction was subsequently overturned on a technicality. Blumeyer, according to the Coalition, is currently in the insurance business while he awaits a new trial. The industry, I'm sure, is glad to have him back.

The Coalition was not trying to make light of the fraud situation, but to point out how pervasive and costly the problem is. The top 10 accounted for more than \$150 million in costs to consumers last year. The Coalition asserts that the total problem amounted to \$68 billion in 1994, or more than \$800 per family in this country. There is hope, from the Coalition and from others in the industry, that these numbers will decline in coming years, because of a new federal law, an increase in fraud bureaus and enactment of state anti-fraud statutes. I hope so, but I'm less optimistic than others in the industry. As the cases of Coker and Blumeyer illustrate, convicting and punishing the perpetrators have proved to be the most difficult part of anti-fraud efforts. My fear is that law enforcement is still overmatched in this fight.





NSAA

*(Presented by Sen. Wilson)*

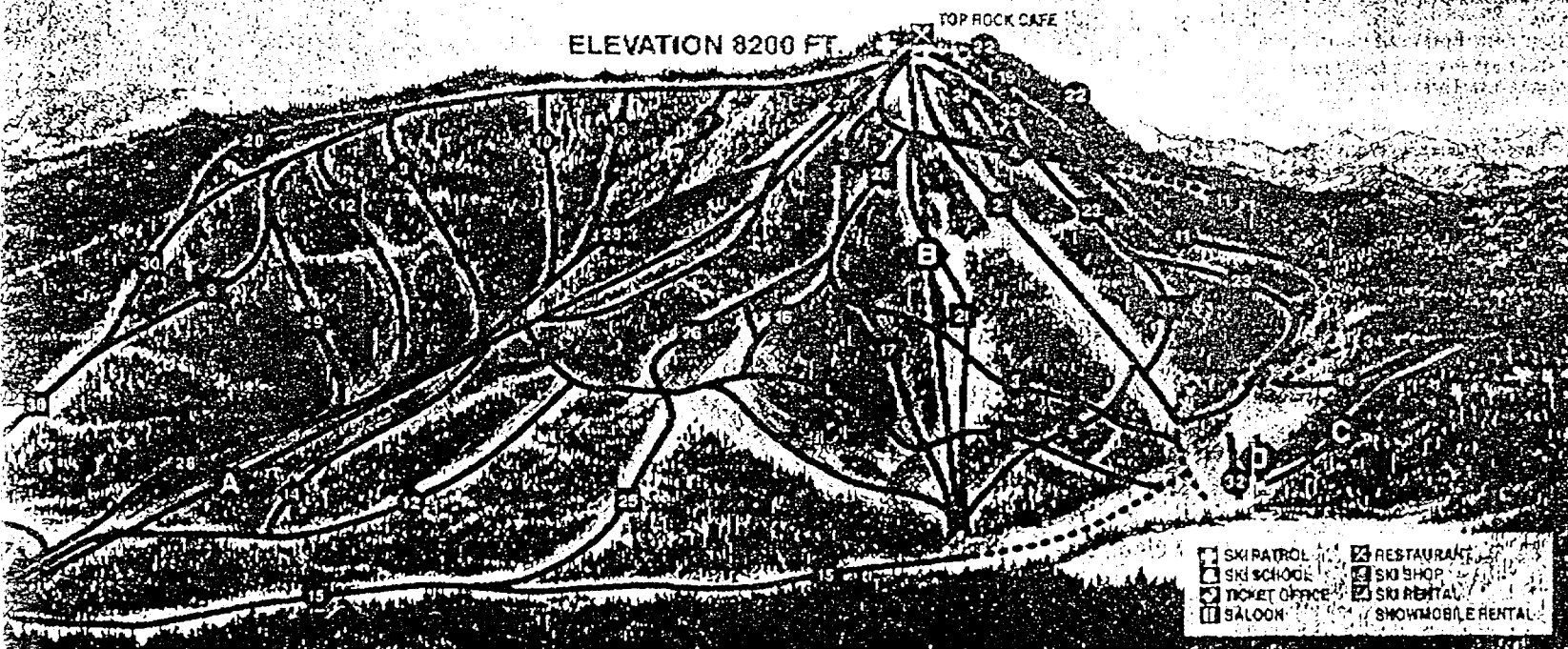
## THE SKIER'S RESPONSIBILITY CODE

1. Always stay in control, and be able to stop or avoid other people or objects.
2. People ahead of you have the right of way. It is your responsibility to avoid them.
3. You must not stop where you obstruct a trail, or are not visible from above.
4. Whenever starting downhill or merging into a trail, look uphill and yield to others.
5. Always use devices to help prevent runaway equipment.
6. Observe all posted signs and warnings. Keep off closed trails and out of closed areas.
7. Prior to using any lift, you must have the knowledge and ability to load, ride and unload safely.

**KNOW THE CODE. IT'S YOUR RESPONSIBILITY.**

# WELCOME TO SHOWDOWN SKI AREA

Town is located in the  
Clark National Forest  
operated by Ski Lift, Inc.



- ☐ SKI PATROL
- ☐ SKI SCHOOL
- ☐ TICKET OFFICE
- ☐ SALOON
- ☐ RESTAURANT
- ☐ SKI SHOP
- ☐ SKI RENTAL
- ☐ SNOWMOBILE RENTAL

ANSAS TRAVELER	FRISOD	LAST CHANCE GULCH	PRENTICE	SECOND THOUGHT	<b>DIFFICULTY LEGEND</b> SLOW ••• EASY WAY DOWN ◆ LEAST DIFFICULT ◆ MORE DIFFICULT ◆ MOST DIFFICULT
CHAMOND	GERONIMO	MILPAH	QUICKSILVER LOWER	SILVERHORN	
MINERED QUEEN	GLORY HOLE	MILPAH FACE HILL	QUICKSILVER UPPER	SLUICE BOX	
WYVISE PASS	GOLDEN GOOSE	MOLLY	PIPERY LOWER	SOUND COUNTRY	
BERLAND	GOOD LUCK	MILLEY	PIPERY UPPER	SPECULATION	
KRIE	GUN BARREL	PAN HANDLE	RUBY	YOGU	
	JAMES BOND	PAY DIRT	RUBY GULCH	HALF PIPE	


LOTS:	VERTICAL	TRAVEL	LENGTH	CLOSE
PROSPECTOR	1400 ft	12-12 min	8,200 ft	3:30 PM
PAY LOAD	1100 ft	9 min	4,500 ft	4:00 PM
PUMA LET	400 ft	5 min	1,200 ft	4:00 PM
ROPE TOW	50 ft	2 min	800 ft	4:00 PM

## INHERENT RISK AND SKIERS RESPONSIBILITY CODE

- Skiers in Montana are responsible to know the inherent risks in the sport of skiing. Ski cautiously and in control so as to reduce the risk of injury.
- Ski conditions change with skier use, weather, and grooming. There are unmarked hazards over all the area.
- Ski cautiously and under control at all times.

1. Ski under control and in such a manner that you can stop or avoid other skiers or objects. Excessive speed is dangerous.
2. When skiing downhill or overtaking another skier, you must avoid the skier below you.
3. You must not stop where you obstruct a trail or are not visible from above.
4. When entering a trail or starting downhill, yield to other skiers.
5. All skiers shall use devices to prevent runaway skis.
6. You shall keep off closed trails and posted areas and observe all posted signs.

*(Presented by Sam Wilson)*



SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 4

DATE 8/19/95

BILL NO. SB 243

P.O. Box 92 • Neilhart, MT 59465

Ski Area: (406) 236-5522

Town Office: (406) 327-5553

24-Hour Snowplow: (406) 771-130

DATE

February 9, 1995

SENATE COMMITTEE ON

Business and Industry

BILLS BEING HEARD TODAY:

SB 243 Senator Wilson  
SB 253 Senator Holden SB 261 Senator Sprague

&lt; ■ &gt;

PLEASE PRINT

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Check One

Name	Representing	Bill No.	Support	Oppose
COLLEEN A. GRAHAM	DOC/Bd Tramways	243	Info	Only
WARD A. SHANNON	Formers Ins. Group	253	X	
Bon Ashabramer	State Farm Ins	253	X	
Roger McBlenn	INDEPENDENT INS. AGENTS OF MT	253	X	
Jaqueline Denmark	Am. Ins. Assoc	253	X	
Pat Melby	MT Shi Areas Assn	243	✓	
Ed. Crossan	MT. MED. BEN. PLAN			
Ronna Alexander	MT. Ret. Marketw	261		X
CENIX - Ret. Marketw	Leney	261		X
LARRY AXEL	NATIONAL ASSOC OF INDEPENDENT INSURER	253	✓	
LANYA ASK	Blue Cross & Blue Shield	253	✓	
Debbie Berry	PIA Prof. & Ins. Assn of MT	253	✓	
William	State Fund	253	✓	
Brad Griffin	MT Retail Assoc.	261		X

## VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE February 2, 1995

SENATE COMMITTEE ON Business + Industry

BILLS BEING HEARD TODAY: \_\_\_\_\_

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PLEASE PRINT

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Check One

Name	Representing	Bill No.	Support	Oppose
Brad Griffin	MT Retail Assoc.	<sup>JB</sup> 253	X	
Tom Hoggard	HIAA	253	✓	
Bill Stevens	MT Food Dist Assn	<del>261</del> 253		✓
Denny Moreen	ACLI	253	✓	
Mike Craig	MT Healthcare Auth	253	✓	
FRANK Bete	St. Audite	253	✓	

## VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY