

## MINUTES

### MONTANA SENATE 54th LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON BUSINESS & INDUSTRY

**Call to Order:** By CHAIRMAN JOHN HERTEL, on January 18, 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:** Bart Campbell, Legislative Council  
Lynette Lavin, Committee Secretary

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

**Committee Business Summary:**

Hearing: None  
Executive Action: SB 67 DO PASS

#### EXECUTIVE ACTION ON SB 67

**Motion:** SEN. BILL WILSON MADE A MOTION SB 67 DO PASS.

**Discussion:** SEN. CASEY EMERSON asked if this was the proper time to make an amendment on this bill and CHAIRMAN JOHN HERTEL stated "yes". SEN. EMERSON would like to amend SB 67 to read 65 years or older on the second line of the Title and change 70 to 65 on page 2, line 9. He said age limits are too scattered around and there should be some general age. He stated age 65 would be a better age because that is the way retirement is set up.

SEN. STEVE BENEDICT said 70 was a good age. He maintained there are a lot of producers in the insurance industry who are still quite active at 66 or 67. He stated they are into "financial

securities" and other things that require continuing education.

**SEN. KEN MILLER** declared he had a problem with the whole education requirement. He would rather the bill be eliminated completely because he believes education and keeping current with insurance changes becomes more important as the agent becomes older and spends less time in the field.

**SEN. TERRY KLAMPE** was opposed to the amendment because 65 was the age when insurance really became complicated. He stated limiting the age to 65 was inappropriate.

**SEN. MIKE SPRAGUE** was also against the age factor. He expressed that age was irrelevant when the prime responsibility was giving advice and it should be accurate and current.

**Motion:** **SEN. EMERSON** MOVED TO AMEND SB 67 ON SECOND LINE OF TITLE AND CHANGE 70 TO 65 ON PAGE 2 LINE 9.

**Vote:** THE MOTION HAS FAILED 5 - 4 ON ROLL CALL VOTE (#1).

**Discussion:** **SEN. KLAMPE** stated this bill was discriminatory. He maintains ages under 65 were being discriminated against.

**SEN. SPRAGUE** stated, because of their clients, their profession, and their age group, it is necessary to be as current as possible. He did comment; however, the courses are not always germane and are somewhat frivolous. He stated the studies need to be more applicable, current and modern.

**SEN. EMERSON** stated this is a good bill. He explained those people who have been in the business for a long time do know more than a younger agent without the many years of experience. He said this bill is a step in the correct direction in removing government and other organizations.

**SEN. MILLER** declared the insurance and investment businesses are changing rapidly. The number of years an agent has been in the business is not a criterion to keeping up on current knowledge.

**SEN. KLAMPE** referred to the testimony of **Roger McGlenn**, Executive Director Independent Insurance Agents of Montana, and agreed with his testimony that it was a good idea to have an inactive status for agents who merely wanted to collect their commissions and no longer were dealing with the public. He said this was a better way to handle the problem rather than discriminating against a certain age group.

**SEN. FORRESTER** disagreed with the discrimination issue. He commented that we have granted the 2EC form, (the low income tax credit form to elderly homeowners). We have granted hunting and fishing licenses to elderly persons. Hardee's restaurants give a senior citizen discount. He had doubts this bill would be considered discriminatory. He also stated the State of Montana

does not give individuals training on product lines, but does provide a course in legality to the agent. He conveyed it was the companies duty to make sure the agent understands the product lines, is updated at regular intervals so not to misrepresent their company. He thinks this is a good bill.

**SEN. BENEDICT** remarked we should talk to the department individually with our concerns; talk to the associations and inform them they must do better with their continuing education to ensure good education. He said he would probably vote for the bill.

**SEN. SPRAGUE** made it clear that an agent is an independent agent and bonded independently by their insurance company. He stated there is an "arms length" relationship. The independent contractor must carry a product line that is a volatile moving product and is a moving target. That person can represent the company and represent his years of service and credibility. He confirmed there is a distinction between the liability.

**SEN. EMERSON** stated the company does require training when there is a definite change in the product. He commented to **SEN. MILLER**, he has become more skeptical of the claims people make about training. He also said he is down on government controls, and we should whittle them down and someday be rid of them.

**SEN. WILSON** asked **SEN. EMERSON**, since he was an educator most his life, if he felt the continuing education requirements he went through were worthwhile. **SEN. EMERSON** said occasionally he picked up something good, but stated after a person had been in teaching for 5 or 7 years they were either a good teacher, a bad teacher, or in-between and the continuing education never changed that individual.

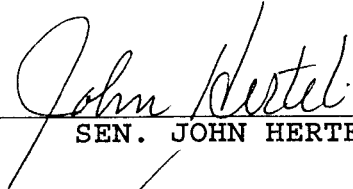
**SEN. WILSON** asked if any committee member had been an insurance agent and if so, would they speak about the continuing education requirements.

**SEN. SPRAGUE** stated he was an insurance agent at one time. He has also been an educator. He also said he could not go back into either profession now and have a sense of knowing what he was doing. He commented what he was taught then is totally inapplicable today. He maintains continuing education is valuable to both these industries.

**Motion/Vote:** **SEN. BENEDICT** MOVED SB 67 DO PASS. The motion CARRIED 5-4 on a roll call vote (#2).

ADJOURNMENT

Adjournment: The meeting adjourned at 8:30 a.m.



SEN. JOHN HERTEL, Chairman



LYNETTE LAVIN, Secretary

JH/LL

MONTANA SENATE  
1995 LEGISLATURE  
BUSINESS AND INDUSTRY COMMITTEE

ROLL CALL

DATE \_\_\_\_\_

1-18-95

[illegible]

SEN:1995  
wp.rollcall.man  
CS-09

SENATE STANDING COMMITTEE REPORT


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January 18, 1995

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration SB 67 (first reading copy -- white), respectfully report that SB 67 do pass.

Signed:

  
Senator John R. Hertel, Chair

 Amd. Coord.  
Sec. of Senate

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## BUSINESS AND INDUSTRY COMMITTEE

DATE 1-18-95 BILL NO. SB 67 NUMBER 1

MOTION: Amendment change:

Age 70' to 65

4 yes 5 no's (did not pass)

[illegible]

SEN:1995  
wp:rlclvote.man  
CS-11

MONTANA SENATE  
1995 LEGISLATURE  
BUSINESS AND INDUSTRY COMMITTEE  
ROLL CALL VOTE

DATE 1-18-95 BILL NO. SB 67 NUMBER 2

MOTION: SB 67 passed  
5 to 4 (as is - not amended)

(DP)

[illegible]