
Committee Report

CONSENT CALENDAR

January 31, 2019

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on Commerce and Consumer Affairs to
which was referred HB 337,**

AN ACT relative to property and casualty insurance.

**Having considered the same, report the same with the
recommendation that the bill OUGHT TO PASS.**

Rep. Christy Bartlett

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Commerce and Consumer Affairs
Bill Number:	HB 337
Title:	relative to property and casualty insurance.
Date:	January 31, 2019
Consent Calendar:	CONSENT
Recommendation:	OUGHT TO PASS

STATEMENT OF INTENT

This bill was submitted at the request of the Insurance Department. A competitive market is presumed to exist unless the Insurance Commissioner determines, after a hearing, that there is not a competitive market and so rules. The only time this has happened was when medical malpractice insurance, at one time, was ruled to have an uncompetitive market. As this is an unusual finding, this bill changes the expiration of such a ruling from one year to two years. The bill also makes grammatical changes from plural to singular and vice versa. Lastly, it makes documents collected in response to consumer inquiries confidential. The Committee agreed that the changes were in order.

Vote 18-0.

Rep. Christy Bartlett
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Commerce and Consumer Affairs

HB 337, relative to property and casualty insurance. **OUGHT TO PASS.**

Rep. Christy Bartlett for Commerce and Consumer Affairs. This bill was submitted at the request of the Insurance Department. A competitive market is presumed to exist unless the Insurance Commissioner determines, after a hearing, that there is not a competitive market and so rules. The only time this has happened was when medical malpractice insurance, at one time, was ruled to have an uncompetitive market. As this is an unusual finding, this bill changes the expiration of such a ruling from one year to two years. The bill also makes grammatical changes from plural to singular and vice versa. Lastly, it makes documents collected in response to consumer inquiries confidential. The Committee agreed that the changes were in order. **Vote 18-0.**

Original: House Clerk

Cc: Committee Bill File

Committee Report

HB 337

OTP 18-0

Consent Calendar

This bill was submitted at the request of the Insurance Department. A competitive market is presumed to exist unless the commissioner, after hearing, determines there is not a competitive market and rules such. The only example was in the past, medical malpractice, at one time, was ruled to be an uncompetitive market. As this is an unusual finding, this bill changes such a ruling from the current one year to two years. The bill also makes such grammatical changes from plural to singular and vice versa. Lastly, it includes consumer inquiry in investigations, rather than only a complaint. The Committee agreed that the changes were in order.

Rep. Christy Dolat Bartlett

For the Commerce Committee

Handwritten signature of Christy Dolat Bartlett, consisting of the letters 'OK' above a large, stylized signature.

Voting Sheets

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 337

BILL TITLE: relative to property and casualty insurance.

DATE: January 22, 2019

LOB ROOM: 302

MOTIONS: OUGHT TO PASS

Moved by Rep. Bartlett

Seconded by Rep. Hunt

Vote: 18-0

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Rebecca McBeath, Clerk



2019 SESSION

Commerce and Consumer Affairs

Bill #: 337 Motion: OTP AM #: _____ Exec Session Date: 1-22-19

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Butler, Edward A. Chairman	✓		
Williams, Kermit R. Vice Chairman	✓		
Gidge, Kenneth N.			
Abel, Richard M.	✓		
McBeath, Rebecca Susan Clerk	✓		
Bartlett, Christy D.	✓		
Herbert, Christopher J.			
Van Houten, Constance	✓		
Fargo, Kristina M.	✓		
Indruk, Greg L.	✓		
Muscatel, Garrett D.	✓		
Weston, Joyce	✓		
Hunt, John B.	✓		
Sanborn, Laurie J.	✓		
Osborne, Jason M.	✓		
Costable, Michael	✓		
Plumer, John R. H.11, Greg (Sub)	✓		
Barnes, Arthur E.	✓		
Potucek, John M.	✓		
Warden, Mark	✓		
TOTAL VOTE:	14	0	

Hearing Minutes

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 337

BILL TITLE: relative to property and casualty insurance.

DATE: January 10, 2019

LOB ROOM: 302

Time Public Hearing Called to Order: 1:15 pm

Time Adjourned: 1:30 pm

Committee Members: Reps. Butler, Williams, McBeath, Gidge, Abel, Bartlett, Herbert, Van Houten, Fargo, Indruk, Muscatel, Weston, Hunt, Sanborn, J. Osborne, Costable, Plumer, Barnes, Potucek and Warden

Bill Sponsors:
Rep. Bartlett

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. Christy Dollett Bartlett, prime sponsor - Introduced the bill at the request of the NH Insurance Dept. House keeping bill to correct & clarify; full support of the insurance industry. Thank you for your consideration.

Emily Doherty, Property and Causality Attorney for NH Insurance Dept., with Christian Citarella - Supports. Three issues, short bill.

Section #1 412:13 Competitive of markets.

Dept. holds hearings every year on any market that seems non-competitive. (i.e. medical malpractice). This bill will change the review of markets from one year to two years because the markets do not change that quickly and one year is sufficient.

Q: Chairman Ed Butler - Designation that a particular part of the market is non-competitive was medical malpractice; are there any other areas of the market that are non-competitive?

A: Chris Citarella – Currently one line of business that is considered malpractice (for the past 7 years) not enough payers in the market to ensure that consumers were being treated fairly. Since then every year we have a hearing to re-determine that it remains as non-competitive. This bill makes it so we could wait 2 years to review to see if there are changes in the market. Our rating laws right now – by law right now I can not disapprove a policy for being excessive cost – as long as it is a competitive market. In a non-competitive market then the NHDI has more tools to regulate the rate and deny rates that are excessive.

Q: Rep. Richard Abel - Although it has nothing to do with how often the reviews

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 337

BILL TITLE: relative to property and casualty insurance.

DATE: 1-19-19

ROOM: 302

Time Public Hearing Called to Order: 1:15

Time Adjourned: 1:30

(please circle if present)

Committee Members: Reps. Butler, Williams, McBeath, Gidge, Abel, Bartlett, Herbert, Van Houten, Fargo, Jandruk, Muscate, Weston, Hunt, Sanborn, J., Osborne, Costable, Plumer, Barnes, Dotucck and Warden

Bill Sponsors:

Rep. Bartlett

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

- #1 Rep Christy Bant
 - #2 Emily Doherty
 - #3 Christian Citarrella
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Afternoon Session January 10, 2019
HEARING ON
HB 337, relative to property and casualty insurance.

Chair Butler Calls the hearing to order at

Witness #1 Rep. Christy Dollett Bartlett – Prime Sponsor
Introduced the bill at the request of the NH Insurance Dept.
House keeping bill. Correct & Clarify.
Full support of the insurance industry.
Thank you for our consideration.

Witness #2 Emily
Property and Causality Attorney for NH DI

3 issues, short bill

Section #1 412:13 Competitive of markets
Dept. holds hearings every year on any market that seems non-competitive.
(I.e. Medical malpractice)
This bill will change the review of markets from one year to two years --
because the markets do not change that quickly and one year is sufficient.

Rep Butler; designation that a particular part of the market is non-competitive was medical malpractice – are there any other area of the market that is non-competitive?

Answer Chris Citarella – Currently one line of business that is considered mal practice – for the past 7 years – No enough payers in the market to ensure that consumers were being treated fairly. Since then every year we have a hearing to re-determine that it remains as non-competitive. This bill makes it so we could wait 2 years to review to see if there are changes in the market.

Our rating laws right now – by law right now I can not disapprove a policy for being excessive cost – as long as it is a competitive market.

In a non-competitive market then the NHDI has more tools to regulate the rate and deny rates that are excessive.

Question Rep. Abel: Although it has nothing to do with how often the reviews are – what is the effect of you denying a rate in a non-competitive market?

Answer Witness #3 Citarella: that would be an extreme case. A carrier states they want a 30% rate increase and analysis on their data and see if their data supports a need (increased risks taken on from last year) such a large increase in rate.

Question Butler: and the market is valuable enough that at least carriers stay in the market.

That is something w is not anticipating. Right now there are enough. The problem is not of availability, it's that we want to make sure the distribution of the policies is consistent and healthy. Malpractice is a niche market, so you want to make sure that they don't want to take advantage of a situation.

Comment Butler: if there were not enough insurers in the market – the state would have to come up with a solution.

Question Osbourne: How many hours a year do you spend on this analysis?

Answer Witness #3 Maybe 20-30 hours a year to prepare for all markets.

II. Section 2

No substantive changes.

Changes some of the works from plural to singular, grammar changes.

III Section Consumer Statute – new law in 2018

Reinforces that information in subsection C are confidential.

Chair closed the hearing at 1:30 pm

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Nineteen

AN ACT relative to property and casualty insurance.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Regulation of Forms and Rates for Property and Casualty Insurance; Competitive Market.
2 Amend RSA 412:13 to read as follows:

3 412:13 Competitive Market. A competitive market is presumed to exist unless the
4 commissioner, after hearing, determines that a reasonable degree of competition does not exist in
5 the market and the commissioner issues a ruling to that effect. Such ruling shall expire no later
6 than ~~[one year]~~ *2 years* after issue unless the commissioner renews the ruling after hearings and a
7 finding as to the continued lack of a reasonable degree of competition. In determining whether a
8 reasonable degree of competition exists, the commissioner shall consider relevant tests of workable
9 competition pertaining to market structure, market performance and market conduct and the
10 practical opportunities available to consumers in the market to acquire pricing and other consumer
11 information and to compare and obtain insurance from competing insurers as further described in
12 RSA 412:14.

13 2 Regulation of Forms and Rates for Property and Casualty Insurance; Rate Filings. Amend
14 RSA 412:16, II to read as follows:

15 II. Every insurer shall file with the commissioner every manual, predictive ~~[models]~~ *model*
16 or telematics ~~[models]~~ *model* or other ~~[models]~~ *model* that ~~[pertain]~~ *pertains* to the formulation of
17 rates and/or premiums, minimum premium, class rate, rating schedule or rating plan and every
18 other rating rule, and every modification of any of the foregoing which it proposes to use. Personal
19 lines filings shall include underwriting rules used by insurers or a group of affiliated insurers to the
20 extent necessary to determine the applicable rate and/or policy premium for an individual insured
21 or applicant. An insurer may file its rates by either filing its final rates or by filing a multiplier
22 and, if applicable, an expense constant adjustment to be applied to prospective loss costs that have
23 been filed by an advisory organization on behalf of the insurer as permitted by RSA 412:23. Every
24 such filing shall state the effective date, and shall indicate the character and extent of the coverage
25 contemplated. Information contained in the underwriting rules that does not pertain to the
26 formulation of rates and/or premiums shall be identified by the filer as proprietary and shall be kept
27 confidential by the department and shall not be subject to the provisions of RSA 91-A.

28 3 Insurance Department; Consumer Services Program. Amend RSA 400-A:15-e, III(c) to read
29 as follows:

30 (c) Nothing in this section shall be construed to waive the confidential and privileged
31 nature of all documents, materials, or other information in possession of the department pursuant