

SPEAKER BARRETT: Senator Withem.

SENATOR WITHEM: Mr. President, members of the body, this is a pretty simple bill and it's a pretty simple language and I think it will be complicated to see what I am doing with my amendment. If you'll open your bill books to AM1109, page 3, the operative section of this amendment is only five sentences long. My amendment strikes the words "by a regulated natural gas or electric utility". The purpose of this amendment is to see to it that if this is an exemption that is valid for regulated natural gas or electric utility companies that may, in fact, be in competition with individuals in private industry, it ought to be good for those people in private industry also. Now the facts that I've been told about this by the folks in the Rotunda, and I have absolutely no reason to disbelieve them at this point, is that currently the Department of Insurance, the past practice by our Department of Insurance is not to regulate anybody selling service contracts, that they have not been defined as insurance operationally in the past; that the Wesely-Withem Heating, Venting and Air Conditioning Service and Repair Corporation would not have been required to post a bond or any of these other sorts of things under the regulatory provisions; that only when one of these utility corporations, only when it is brought to the attention of the Department of Insurance that the utility corporations were in this business, did they say kind of...something along the lines of the following. Hey, we're not really sure that you need to be regulated here, it's a gray area but you ought to go in and get it clarified. I guess what I'm saying, if we're going to clarify it I have no problem. If these are the facts and all we're doing is clarifying, keeping status quo in practice and part of status quo in practice is that the Withem-Wesely Corporation is not regulated under the service contracts either, then I think that it's probably appropriate that we change this bill so that we continue not to be under this regulation like we're not now. If, on the other hand, there's an objection to doing this, then I don't see a real need to open up the exemption for anybody. If we're going to treat utility corporations in this business one way, private contractors differently, then I think we have a problem. What my amendment does is it says that these service contracts will not be subject to this type of insurance regulation. Would urge you to adopt the amendment.