

SPEAKER BARRETT: Thank you. Senator Hall, we are still talking about a divided question, or was your purpose served?

SENATOR HALL: My purpose is served at this point. There's no need to divide the amendment. I will ask...

SPEAKER BARRETT: Thank you. Senator Elmer.

SENATOR ELMER: Thank you, Mr. President. Would Senator Landis yield to a question or two?

SPEAKER BARRETT: Senator Landis, please.

SENATOR ELMER: Senator Landis, over the last couple of years I have had in my district a conflict between some agents and an MGA that are reflected in this paragraph where you refer to the conflict between writing business and earning commissions. And this, of course, has gone on and on and unresolved and it seems as though that something of this type is very, very well warranted if it addresses those types of conflicts between local agents, the MGAs, which are the middle man for the parent insurance companies. Does this go in any way toward resolving those kinds of conflicts?

SENATOR LANDIS: Yes, it does in this sense. It tells, for example, that the MGA and the company must have a written contract; secondly, that in that contract some provisions need to appear, among them are appropriate underwriting guidelines in which the company tells the MGA, here are the guidelines for which you will go out and write our business for us. In the past, MGAs have been able to do that with no guidelines, no written suggestions, no limitations. The agents may be getting a story from their historical relationship with the company and then get a new story from the MGA and, in fact, have no one to appeal to nor is there anyone to go to, to say, what are the rules which the company is going to operate? What limitations are there on the MGA? This written contract which will need to be done between a licensed MGA and the company is to include appropriate underwriting guidelines for the MGA which the company will give them.

SENATOR ELMER: I see.

SENATOR LANDIS: And that should at least in part assist us in trying to clean up that kind of a problem.