

SPIROS MANTZAVINOS
STATE SENATOR
7th District



SENATE
STATE OF DELAWARE
411 LEGISLATIVE AVENUE
DOVER, DELAWARE 19901

COMMITTEES
Banking, Business & Insurance - Chair
Capital Improvement
Labor
Transportation
Veterans Affairs

Senate Banking, Business, & Insurance Committee Meeting **Minutes**

Date: Thursday, March 24, 2021

Time: 1:00 PM in Virtual Format

Committee Members Present:

Senator Spiros Mantzavinos	Sprios.Mantzavinos@delaware.gov
Senator Trey Paradee	Trey.Paradee@delaware.gov
Senator Laura Sturgeon	Laura.Sturgeon@delaware.gov
Senator Jack Walsh	John.Walsh@delaware.gov
Senator Colin Bonini	Colin.Bonini@delaware.gov

Staff Present:

Nicole Alvarez	Nicole.Alvarez@delaware.gov
Taylor Hawk	Taylor.Hawk@delaware.gov
Michael Soyka	Michael.Soyka@delaware.gov

Attendees:

Senator Nicole Poore, Senate Majority Caucus	Matt Revel, Senate Minority Caucus
Rebecca Calvello, Senate Minority Caucus	Tim Lynch, NICB
Vince Ryan, ACLI	Alexandra McFassel, Office of the Public Guardian
Kathleen Rutherford, C.S. Kidner & Associates	Pamela Price, Highmark BCBS
Christina Bryan, Delaware Healthcare Association	Jason Smith, Delaware General Assembly
Alexa Adams, Senate Majority Caucus	Rebecca Kidner, APCIA
Evelyn Nestlerode, AOC	Chris Haas, Delaware Department of Insurance
Lauren Brinjac, DE Assoc. of Insurance Agents & Brokers	Scott Kidner, ACLI/IA&B
Mary Kate McLaughlin, Faegre Drinker	Robert Scoglietti, Controller General
Laird Stabler III, Laird Stabler & Associates, LLC	Cheryl Crowe, Delaware State Senate
Christine Schiltz, Parkowski Guerke & Swayze	Carrie Cole, ByrdGomes
Venessa Karpeh, Senate Majority Caucus	

Senator Mantzavinos convened the meeting at 1:03 PM and roll call was taken.

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- I. The meeting minutes from March 17, 2021 were approved.
- II. **SB 85 (Poore)- AN ACT TO AMEND TITLE 12 OF THE DELAWARE CODE RELATING TO THE PUBLIC GUARDIAN.**

Senator Mantzavinos deferred to Senator Poore for SB 85.

Senator Poore explained that the need for this legislation came to the Non-Acute Patient Medical Guardianship Task Force. The purpose of the task force was to study and make recommendations regarding the need and options for non-acute care hospitals in need of medical guardianship services. This bill allows the Public Guardian to collect fees for these non-acute services which would be placed in special funds to be expended by the Office of the Public Guardian to further its purpose and to support the guardianship commission. There is a fiscal impact that shows that the office would generate \$42,000 to \$43,000 annually depending on the number of clients. There are currently 111 cases open.

Sen. Mantzavinos opened the floor for questions from committee members.

Sen. Bonini asked how those services are currently funded, and if this legislation is to defer ongoing costs.

Sen. Poore explained that they are currently funded through the court system. She explained that if you are a patient that no longer requires acute care services, you are taking up the acute care bed. The hospital then can take guardianship to move the patient into the correct facility or back home. The Office of the Public Guardian has been taking the steps they need to help these patients and their families with a lack of proper funding. That is the reason for 111 cases waiting today.

Sen. Paradee asked for clarification on the fiscal note. He asked who is paying for the services of the guardianship currently.

Sen. Poore asked to elevate Alexandra McFassel.

Ms. McFassel explained that the funds do not come out of the pocket of the individual, but it does come out of their income. It would not impoverish an individual.

Sen. Paradee also asked what type of expenses the office is incurring.

Ms. McFassel said some of the impacts is the amount of work that has to be done, and that this would help with management and services to the individuals. It can also be used to subcontract guardianship services.

Sen. Paradee asked who has oversight for how the money is spent.

Ms. McFassel said the commission will develop standards for that and then the oversight would be provided by the Court of Chancery.

Sen. Poore added that the task force for the guardianship had many people sitting at the table, and that would include the Courts of Chancery. She said the conversations regarding this have been amazing and that we have come a long way in Delaware to where we are not leaving anyone behind.

Sen. Mantzavinos moved to public comment.

Ms. McFassel added that collecting fees for the public guardianship may be new to Delaware, it is not new across the nation. Several programs collect fees using different models.

Christina Bryan, from the Delaware Healthcare Association, spoke in support of SB 85 and asked the committee to advance this legislation.

Seeing no additional hands for public comment, Sen. Mantzavinos moved on to the next item on the agenda.

SB 85 was released from committee with 3 favorable votes and 2 on its merits.

III. SB 79 (Mantzavinos)- AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO PROPERTY INSURANCE POLICIES.

Sen Mantzavinos explained that SB 79 requires 30 days' notice for cancellations except in the instance of nonpayment, which is 10 days. In general, this is common practice. Codifying the timeframe within which a property insurer gives intent to cancellation is an important consumer protection measure. Previously, the code contained a timeframe for nonrenewal notice but not for cancellation notice.

Sen. Mantzavinos then deferred to Chris Haas from DOI to answer any questions.

Ms. Haas commented that the department appreciated the committee bringing this forward. She stated it is a consumer protection bill and appreciates the support.

Sen. Mantzavinos moved to public comment.

Scott Kidner from ACLI/IA&B stated that they appreciate DOI working with the insurance industry on these bills and that they support the bill.

Seeing no additional hands for public comment, Sen. Mantzavinos moved on to the next item on the agenda.

SB 79 was released from committee with 4 favorable votes and 1 on its merits.

IV. SB 80 (Mantzavinos)- AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO ASSIGNABILITY OF INSURANCE CONTRACTS.

Sen. Mantzavinos explained that this bill addresses the differences between life and health and property casualty insurance when it comes to transferring the ownership rights of the policy to a

third party. This is a consumer protection measure, which prevents property repair contractors from subverting our public adjuster laws. An example of this issue would be a roofing contractor canvassing a neighborhood after a natural disaster, stating they will handle the insurance for a homeowner (taking on their rights as a policyholder) though they are not licensed to do so as a public adjuster.

Ms. Haas said this became especially necessary after the results of climate change has resulted in increased storms in the state. This is to protect consumers.

Sen. Mantzavinos moved to public comment.

Scott Kidner stated he already said his comments on the previous bills and he is in support of all three bills.

Lauren Brinjac, from the Delaware Association of Insurance Agents & Brokers, said they are in support of this bill and thanks the committee for bringing this forward.

Rebecca Kidner from PCIA says that their members support this legislation and thanks the sponsors for supporting and bringing it forward.

Seeing no additional hands for public comment, Sen. Mantzavinos moved on to the next item on the agenda.

SB 80 was released from committee with 4 favorable votes and 1 on its merits.

V. SB 81 (Mantzavinos)- AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO INSURANCE RATE FILINGS.

Sen. Mantzavinos explained this bill would allow deviations to be effective unless terminated or until a modification is made to the deviation so that these do not need to be filed annually. Insurers are permitted to join rating organizations, who make filings on their behalf, but organization members are also able to file deviations, which are changes from the rating organization's rates, schedules, rating plans or rules.

Chris Haas said the Department of Insurance continues to scrutinize deviations at the same level as traditional filings, and that this was a process requested by insurers.

Sen. Mantzavinos moved to public comment after seeing no questions from members of the committee.

Rebecca Kidner thanked the department for taking this into consideration and this is a matter of efficiency. She also thanked the sponsor for bringing this forward and that is in support of the bill.

Seeing no additional hands for public comment, Sen. Mantzavinos moved on to the next item on the agenda.

SB 81 was released from committee with 4 favorable votes and 1 on its merits.

VI. HB 41 (Bush)- AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO AUTOMOBILE INSURANCE POLICIES.

Sen. Mantzavinos deferred to Sen. Paradee for consideration of HB 41.

Sen. Paradee explained that HB 41 has five sections. Section 1 clarifies that the reinstatement obligations of insurers under applies in instances of both nonrenewals and cancellations of policies due to nonpayment of premiums. Sections 2 through 4 revise the method by which an insured may contest or appeal a nonrenewal or cancellation of an automobile policy from a hearing process to a review by the Commissioner on the papers, which reflects the Department's prior practices in handling these appeals and provides a more streamlined and efficient process for timely reviewing a consumer's appeal. Section 5 extends the protections against unfair automobile insurance rating practices related to a service member's deployment to deployments both within and outside of the U.S. and its waters.

Seeing no hands raised from committee members, Sen. Mantzavinos moved to public comment.

Seeing no additional hands for public comment, Sen. Mantzavinos moved on to the next item on the agenda.

HB 41 was released from committee with 1 favorable vote and 4 on its merits.

VII. HB 42 (Bush)- AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO INSURANCE EXAMINATIONS.

Sen. Mantzavinos deferred to Sen. Paradee for consideration of HB 42.

Sen. Paradee explained HB 42 is a cleanup bill and removes a section of language that was previously contained in the code.

Seeing no hands raised from committee members, Sen. Mantzavinos moved to public comment.

Chris Haas thanked Sen. Paradee for supporting HB 41 and HB 42 and reiterated that this is a cleanup bill.

HB 42 was released from committee with 1 favorable vote and 4 on its merits.

Sen. Mantzavinos adjourned the meeting at 1:35 PM