

Consumer Insurance Council

January 5, 2011

Council Attendees: Chair Betty Lehman, Jean Nofles, Linda Todd, Chris Crigler, Dede DePercin, Jean Jones, Deanna Ames, Lynn Leader, Flora Russel, Kelly Stahlman

DOI Attendees: Interim Commissioner Postolowski, Deputy Commissioner Peg Brown, External Relations Director Jo Donlin; Consumer Education Director Cameron Lewis

Other Attendees: Nathan Dowell, Autism Society; Debra Judy, Colorado Consumer Health Initiative; Carolyn Tiegs, Gary Wolfe, Nick Wolfe, Tim Canning

Opening of the Meeting

Chair Betty Lehman opened the meeting at approximately 10:10 a.m. The Council and guests introduced themselves. Chris Crigler was introduced as a new Council member.

Approval of the Minutes of November 3, 2010

Lynn Leader moved for acceptance of the Minutes of November 3, 2010 as presented, and Jean Jones seconded the motion. The motion was adopted without dissent.

Title Insurance Legislative Proposal

Gary Wolfe requested to address the Council about title insurance issues and potential legislation. Mr. Wolfe last presented to the Council in April, 2010 and introduced Tim Canning. Mr. Canning described the circumstances concerning the refinancing of his home where funds wired to the title insurance company for the closing were stolen and his home is presently subject to foreclosure proceedings. Mr. Canning and Mr. Wolfe provided the Council with draft legislation to provide broader consumer protections, including: requiring closing protection letters, enhancing consumer education about the duties and responsibilities of title insurers, and requiring closing and settlement service providers to have fidelity, crime and errors and omissions insurance coverage in certain amounts.

Andy Helm, Title Insurance Analyst, for the Division was asked to provide information to the Council about the number and extent of defalcations in title insurance. He referenced the annual Title Insurance report which is posted on the Division's website. Mr. Helm noted that Colorado had the fewest defalcations in the nation, and while there are instances, such as that of the Cannings, where criminal investigation is ongoing, the title insurance industry has consolidated and contracted substantially due to economic conditions.

Division Updates

Bail

Beth Ham, Senior Investigator for the Division, was invited to provide the Council with background on the Division's regulation of bail and bail bond producers. She noted that there are 527 licensed bail agents in Colorado, with 486 of them writing bail through a surety insurance company, 4 are grandfathered "cash" agents from prior to 2002, and the remainder are professional cast bail bondsmen who can write bail bonds without insurance backing against a \$50,000 guarantee bond held by a bank or other financial institution for the Commissioner.

Ms. Ham indicated that the Division handles approximately 220 complaints each year on bail issues and the Division has a significant role in providing consumer education on what the bail bonding statutes require.

Boulder Fire

Bobbie Baca, Supervisor of Property and Casualty Consumer Affairs (ICARE), provided the Council with an update on insurance issues arising from the Boulder fire earlier this year. She noted that 169 homes had burned and many consumers found that their homes were underinsured. The Division had staff in Boulder at the Recovery Assistance Center in the days following the fire, and have had contact with approximately 60 consumers over issues. The ICARE P&C staff is working with the Boulder County Commissioners, legislators from Boulder, and others to address insurance questions and complaints arising from the fire.

Consumer Outreach

Cameron Lewis, Consumer Education Director, provided an update on the news releases issued by the Division in 2010. She said that 12 of the releases were on health insurance issues, 16 or 17 related to enforcement actions taken by the Division, and two concerned issues in the property and casualty area. She also reported that she is working on a major consumer education piece entitled "Understanding Health Insurance" to be followed with a "Guide to Insurance for Small and Large Businesses."

Jo Donlin, External Affairs Director, described the Division's work as part of the federal health care reform rate review grant to increase consumer education and information about health insurance rates and the Division's rate review process. She reported that the Division has contracted with some consultants to conduct focus groups, key individual interviews, and a web survey to identify consumer information needs. The information garnered from these efforts will be used in designing the information to be put up on the Division's website about health insurance premium rate filings.

Legislation

Ms. Donlin also reported that the Department of Regulatory Affairs legislative agenda did not include Division advocated bills. She did note that the Division is aware of potential legislation on surplus lines insurance and the property and casualty guaranty funds expected to be introduced in the upcoming session.

Lorez Meinhold, Director of Implementation for the Governor on health care reform, addressed the Council. She noted that she had been a member of the Council in the past.

Ms. Meinhold described the ongoing process of implementing the federal health care reforms beginning on March 23, 2010 and continuing beyond 2014. She noted that there is a great commitment at the US Department of Health and Human Services to state flexibility.

On April 20, 2010, Governor Ritter appointed an Interagency Board to begin working on the implementation of federal health care reform. Among the Board's priorities are: Stakeholder engagement and identifying grant opportunities. Ms. Meinhold noted that the Interagency Board's stakeholder engagement efforts are focused on four "buckets" or issue interests of access to coverage and coverage, cost containment, insurance accountability, and consumer and businesses responsibilities.

Ms. Meinhold reported that the state has already been successful in applying for grants related to health care reform. The Division of Insurance received an almost \$1 million grant to enhance rate review responsibilities. The state also received a substantial grant for early childhood home visitation to ensure expanded child health opportunities and outcomes.

Ms. Meinhold then specifically addressed the Exchange planning grant the state received. She noted that under the grant, ten stakeholder meetings had been held around the state to receive input on creating an insurance exchange. These meetings provided consumer and other perspective on what Coloradoans want and expect from a health insurance exchange.

The Council raised a question about the CBMS Medicaid system and Ms. Meinhold noted that there is new federal matching money available for Medicaid eligibility system improvements that may provide a resource to Colorado.

Mentoring and "On-boarding" New Council Members

The Council formed a subcommittee of Council members and others to develop a Member Orientation, Mentoring and "On-Boarding" program. Named to the subcommittee were Chris Crigler, Nathan Dowell, Linda Todd, Betty Lehman and Lynn Leader. The subcommittee has begun meeting and will report on its work at the next Council meeting.

Schedule for 2011

The next meetings for the Council are February 16, March 23 and May 18.

Adjournment

The Council adjourned at 1:30 p.m. noting that the next meeting of the Council would be February 16, 2011.