

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

May 8, 2017
Date

Committee on State, Veterans, & Military Affairs.

After consideration on the merits, the Committee recommends the following:

HB17-1231 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend reengrossed bill, page 26, line 6, strike "THE" and substitute
2 "(a) SUBJECT TO SUBSECTION (1)(b) OF THIS SECTION, THE".

3 Page 26, after line 12 insert:

4 "(b) THE COMMISSIONER SHALL FOCUS A MARKET CONDUCT
5 EXAMINATION OF A COMPANY ON THE COMPANY'S GENERAL BUSINESS
6 PRACTICES AND COMPLIANCE ACTIVITIES RATHER THAN INITIATING A
7 MARKET CONDUCT EXAMINATION IN RESPONSE TO CLEARLY INFREQUENT
8 OR UNINTENTIONAL RANDOM ERRORS THAT DO NOT CAUSE SIGNIFICANT
9 CONSUMER HARM."

10 Page 40, strike line 3 and substitute "THE COMMISSIONER SHALL
11 CONSIDER:".

12 Page 40, after line 18 insert:

13 "(5) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 3 TO
14 THE CONTRARY, THE COMMISSIONER SHALL NOT IMPOSE ANY FINE OR
15 PENALTY ON ANY COMPANY FOR A VIOLATION OF ANY LAW, RULE, OR
16 PRIOR LAWFUL ORDER OF THE COMMISSIONER IF THE VIOLATION AROSE
17 FROM THE ACTION OR OMISSION OF A LICENSED, INDEPENDENT
18 CONTRACTOR PRODUCER OF THE COMPANY AND THE PRODUCER IS SUBJECT
19 TO EXAMINATION OR DISCIPLINARY PROCEEDINGS FOR ITS OWN

1 VIOLATIONS, UNLESS THE COMMISSIONER MAKES A FINDING OF FACT THAT
2 THE COMPANY KNEW OR REASONABLY SHOULD HAVE KNOWN OF THE
3 VIOLATION AND FAILED TO TAKE ADEQUATE REMEDIAL ACTION TO
4 CORRECT OR STOP THE VIOLATION."

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