

**ALASKA STATE LEGISLATURE**  
**HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

March 5, 2003

3:15 p.m.

**MEMBERS PRESENT**

Representative Tom Anderson, Chair  
Representative Bob Lynn, Vice Chair  
Representative Nancy Dahlstrom  
Representative Carl Gatto  
Representative Norman Rokeberg  
Representative Harry Crawford

**MEMBERS ABSENT**

Representative David Guttenberg

**COMMITTEE CALENDAR**

HOUSE BILL NO. 135

"An Act relating to marital and family therapists."

- MOVED HB 135 OUT OF COMMITTEE

HOUSE BILL NO. 120

"An Act excluding service contracts from regulation as insurance; and providing for an effective date."

- HEARD AND HELD

**PREVIOUS ACTION**

BILL: HB 135

SHORT TITLE: MARITAL & FAMILY THERAPISTS

SPONSOR(S): REPRESENTATIVE(S) WILSON

Jrn-Date	Jrn-Page		Action
02/26/03	0307	(H)	READ THE FIRST TIME - REFERRALS
02/26/03	0307	(H)	L&C, HES
02/26/03	0307	(H)	REFERRED TO LABOR & COMMERCE
03/05/03		(H)	L&C AT 3:15 PM CAPITOL 17

BILL: HB 120

SHORT TITLE: SERVICE CONTRACT SALES ARE NOT INSURANCE

SPONSOR(S): REPRESENTATIVE(S) COGHILL

Jrn-Date	Jrn-Page		Action
02/24/03	0286	(H)	READ THE FIRST TIME - REFERRALS
02/24/03	0286	(H)	L&C
02/24/03	0286	(H)	REFERRED TO LABOR & COMMERCE
03/05/03		(H)	L&C AT 3:15 PM CAPITOL 17

**WITNESS REGISTER**

REPRESENTATIVE PEGGY WILSON

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As sponsor of HB 135, explained the major changes in each section of the bill.

LARRY HOLMAN, Chairperson

Board of Marital and Family Therapy;

Immediate Past President

Alaska Association for Marriage and Family Therapy

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 135, explaining how the board and the professional organization collaborated on the bill's provisions; answered questions about title protection for marital and family therapists.

VIVIAN FINLAY, Member

Board of Marital and Family Therapy

Wasilla, Alaska

POSITION STATEMENT: Testified in favor of HB 135, noting that the board resolved to support these changes two years ago; spoke to the changes in the confidentiality exemption.

BILL PLATTE, Member

Board of Marital and Family Therapy

Juneau, Alaska

POSITION STATEMENT: Testified in favor of HB 135 and described how therapists handle reports of imminent harm to law enforcement officers and potential victims.

REPRESENTATIVE JOHN COGHILL

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As sponsor of HB 120, presented the bill and explained the need to separate service contracts out of the insurance industry with its high level of regulation.

STAN RIDGEWAY, Deputy Director  
Division of Insurance  
Department of Community and Economic Development  
Juneau, Alaska

POSITION STATEMENT: Answered questions about HB 120, discussing the differences between service contracts, warranties, and maintenance agreements; described the work of the division's consumer complaint office.

**ACTION NARRATIVE**

**TAPE 03-17, SIDE A**

Number 0001

**CHAIR TOM ANDERSON** called the House Labor and Commerce Standing Committee meeting to order at 3:15 p.m. Representatives Anderson, Lynn, Dahlstrom, and Crawford were present at the call to order. Representatives Gatto and Rokeberg arrived as the meeting was in progress.

HB 135-MARITAL & FAMILY THERAPISTS

CHAIR ANDERSON announced that the first order of business would be HOUSE BILL NO. 135, "An Act relating to marital and family therapists."

Number 0085

The committee took an at-ease from 3:16 to 3:18 pm.

[The following paragraph is reconstructed from the sponsor statement and sectional analysis because it was not recorded on the tape.]

REPRESENTATIVE PEGGY WILSON, Alaska State Legislature, sponsor of HB 135, stated that the law establishing the Board of Marital and Family Therapy has been in place for 10 years, and it's time to update the language. She said HB 135 will upgrade Alaska laws on marriage and family therapy so they are on a par with other states' laws and are consistent with other forms of counseling services in the state. Section 1 adds the board to the list of boards that may request the Division of Occupational Licensing to contract for substance abuse treatment for licensed therapists. Section 2 authorizes the board to order a licensed marital and family therapist to submit to a physical or mental examination if there is a credible question about the therapist's capacity to practice safely.

Number 0123

REPRESENTATIVE WILSON said Section 3 addresses the direct clinical contact time required for licensing. The requirement is changed from three years to 1,500 working hours and allows one-on-one client contact to be counted. Section 4 makes exceptions to the confidentiality rule in two situations: if there is a threat of physical harm to an identified victim or a disclosure to the board regarding unethical or unlawful conduct.

Number 0200

REPRESENTATIVE WILSON explained that Section 5 prohibits sexual contact between therapist and client during treatment and for two years after treatment ends. She said this is important because a client in a vulnerable frame of mind could be harmed by a sexual relationship with a therapist. By way of comparison, she said social workers are prohibited from sexual contact with a client for their lifetimes. Section 6 allows the suspension of a license if the therapist refuses the examination ordered under Section 2 of the bill. Section 7 requires a disclosure statement so the client learns in advance some key details of therapy: the fees, the therapist's professional education, and the confidentiality exceptions. Representative Wilson concluded that the section also prohibits a licensed therapist from practicing if the person lacks the appropriate qualifications under the law.

Number 0377

REPRESENTATIVE LYNN began discussion of what he would later offer as Amendment 1. He raised a question about the language in the new subsection (5), page 3, lines 29-31, which reads: "(5) a communication to a potential victim or to law enforcement officers where a threat of imminent serious physical harm to an identified victim has been made by a client;". He asked about the use of the word "or" instead of "and" on line 29. He said the therapist should warn both the victim and the law enforcement officer.

Number 0400

REPRESENTATIVE WILSON said she would not oppose such an amendment.

REPRESENTATIVE GATTO noted that substituting the word "and" for "or" would require that both the potential victim and the police both be notified, never singularly. He said he doesn't think that's the intent of the law.

Number 0516

LARRY HOLMAN, Chairperson, Board of Marital and Family Therapy; Immediate Past President, Alaska Association for Marriage and Family Therapy, spoke in support of HB 135. He explained that this bill is the result of a collaboration between the regulatory board, which is charged with protecting the public, and the professional association, which promotes the marriage and family therapist profession. He said it's an unusual collaboration because the interests are different but both groups want to achieve the same results. He said the issue of sexual relationships has not been clearly spelled out in the board's regulations, and that both groups wanted no misinformation or misunderstanding about the ethics of these cases. The groups also wanted to update the initial laws from when therapists were first regulated; today the laws fall short of the standards for other professions both in Alaska and nationwide. He said all of Alaska's other regulatory boards and mental health professions have laws similar to HB 135. He explained that the Board of Marital and Family Therapy supports these inclusions as vital to the protection of the public. The Alaska Association for Marriage and Family Therapy supports HB 135 because its goal is to maintain credibility and high ethical standards for therapists. Each provision derives from years of practice.

MR. HOLMAN commented on the possible amendment discussed earlier that would substitute "and" for "or" on page 3, line 29. He said the intent of that language is really to make it clear to someone that there may be imminent serious physical harm. He said "and" is not necessary and "or" is sufficient.

Number 0754

VIVIAN FINLAY, Member, Board of Marital and Family Therapy, noted that she is a licensed marriage and family therapist practicing in Wasilla. She said the group's professional ethics prohibit sexual contact between the therapist and the client during treatment and for two years after treatment ends. She said she wanted to make sure that the law is at least as strong as the group's ethical code. If an association ethic is violated, a therapist would lose the state license. In March

2001, the Board of Marital and Family Therapy discussed these changes and resolved to support future legislation. She also commented on the possible amendment regarding notifying a potential victim and law enforcement about imminent harm. Professional standards already require therapists to report serious threats to a potential victim or a law enforcement officer. She suggested leaving the "or" in place because therapists' ethical standards do not require both.

Number 0870

REPRESENTATIVE GATTO asked about the liability for not reporting imminent harm.

MS. FINLAY said her understanding is that if therapists don't follow state regulations, they can be investigated, and their licenses can be revoked.

Number 0905

REPRESENTATIVE LYNN asked Ms. Finlay to confirm that the profession's ethical requirements require reporting to the victim or law enforcement but not to both. He then asked if the profession's ethical standards should be raised to require both.

MS. FINLAY confirmed that the association's standards require reporting to one or the other person but not both. She explained that therapists have to do what is most appropriate in the situation. If a person threatens to go home and kill somebody at home, the therapist would likely contact the potential victim. Because no crime has been committed, the therapist doesn't necessarily notify the police, but the person might want to do that as well.

Number 0961

CHAIR ANDERSON described a less volatile scenario in which a husband talks about hitting his wife sometime. Chair Anderson suggested that in this circumstance, contacting the wife would be reasonable but contacting the police wouldn't be reasonable.

MS. FINLAY said it's a judgment call for the therapist; this is why ethics aren't black and white. Therapists probably wouldn't report that instance because there's no threat of harm happening immediately.

REPRESENTATIVE LYNN said he objects to situational ethics.

Number 1136

BILL PLATTE, Member, Board of Marital and Family Therapy, explained that therapists are obligated to report imminent threats of harm. He said in his 23 years of experience as a marital and family therapist, every time he's reported, it was to law enforcement. He added that there have been times when reporting to the potential victim would have been problematic. He said he favors the "or" as written in HB 135.

CHAIR ANDERSON asked why Mr. Platte wouldn't call the spouse if the other spouse was threatening murder.

MR. PLATTE replied, in that specific situation, that he would contact both the threatened spouse and law enforcement. He would do everything in his power to protect the potential victim.

Number 1219

REPRESENTATIVE LYNN asked for a hypothetical situation in which Mr. Platte wouldn't contact the spouse.

MR. PLATTE explained that he wouldn't contact the spouse in a situation when the potential victim might act inappropriately; in that case, he would prefer to involve law enforcement right away.

REPRESENTATIVE GATTO agreed that if the victim decided to retaliate and the therapist didn't act, the therapist would be held liable.

CHAIR ANDERSON said the "and" would force the therapist to contact both the potential victim and law enforcement every time, and the therapist could be sued if the person didn't do so.

REPRESENTATIVE LYNN said in this kind of dispute, every key person should be notified. It would be a judgment call as to which party was contacted first.

Number 1323

CHAIR ANDERSON reviewed the language in question in context of the bill, Section 4, page 3, which addresses confidentiality. The section states that a therapist can never reveal the content

of communications with a client except for four reasons plus two additional reasons added by Representative Wilson. The language in question says that the therapist can break that pledge of confidentiality and notify the potential victim, law enforcement, or both, and not be held liable for releasing the information. He pointed out that this section deals with release of information and confidentiality. He said that adding an "and" to this section does not force the therapist to call both parties.

MR. PLATTE agreed with Chair Anderson.

Number 1419

REPRESENTATIVE LYNN said he would prefer to raise the required reporting from a judgment call to a higher ethical standard.

Number 1429

CHAIR ANDERSON reiterated that this section of the bill, which deals with licensure, releases therapists from confidentiality in certain cases. He suggested that required reporting is probably covered in other state law, perhaps in the criminal statutes.

Number 1462

REPRESENTATIVE ROKEBERG asked Mr. Platte about the new Section 7 on page 5 that requires a disclosure statement to clients. He inquired whether this statement is already provided by therapists and whether this disclosure would change the relationship with a potential client. He asked several questions about the administrative procedures associated with this disclosure.

MR. PLATTE replied that this disclosure is already in place and being used by therapists. Any therapist who does managed care or employee-assistance work already has a form like this. There's nothing in this section that would cause a problem to a potential client, he added. For managed-care clients, a signed copy is already kept in the file. He said following the requirements of this section it would be a minor adjustment. His disclosure form is one page in length.

REPRESENTATIVE ROKEBERG asked Mr. Platte to provide the committee with an example of a disclosure statement.

Number 1583

REPRESENTATIVE GATTO referred to language on page 5, lines 24-26, "the Board of Marital and Family Therapy, which regulates all licensed marital and family therapists". He asked if there are marital and family therapists practicing in the state who are not licensed.

MR. PLATTE replied that there are unlicensed therapists, but that they are not allowed to call themselves "licensed marital and family therapists." He explained that they can practice counseling in the state, but he didn't think they could call themselves "marital and family therapists."

REPRESENTATIVE GATTO disagreed, saying he believes that a person can use the title "marital and family therapist."

Number 1657

MR. HOLMAN explained that a person can practice any kind of therapy in Alaska without a license. He said marital and family therapists do not have a "title law." Psychologists do have a title law, and only licensed psychologists can use that title.

REPRESENTATIVE GATTO said that answered his question. The unlicensed therapists would not have to provide the disclosure required under this bill. He reflected that there are two separate groups of marital and family therapists, licensed and unlicensed, and many clients will not notice the distinction.

Number 1725

REPRESENTATIVE ROKEBERG commented that there are certain occupations that have specific prohibitions against unlicensed people using the titles. For example, the committee looked at HB 9 on home inspectors, which required that a person using that title must meet the provisions of law. He asked why there hasn't been a specific request from licensed marital and family therapists to protect their title.

Number 1844

MR. HOLMAN agreed that it's a great idea to protect the title of licensed marital and family therapists. He explained that the board and the association have been focused on provisions of this particular bill for the past several years. He said one of his goals as the chairperson of the board is to begin to look at

title protection. One protection in place now for licensed therapists is that people who practice without a license do not qualify for third-party payments and cannot work for managed care. Insurance companies will not pay for unlicensed professionals unless they work under the direct supervision of a licensed professional.

CHAIR ANDERSON asked if there have been cases of counselors abusing the title of marital and family therapists.

MR. HOLMAN replied that it's not a huge problem. He said several people had their licenses revoked; they continued to practice therapy, but they didn't call themselves marital and family therapists. There is not widespread misuse of the title because the therapist cannot get payment and there aren't that many clients willing to pay for this counseling out of pocket.

REPRESENTATIVE ROKEBERG replied to a question from Chair Anderson, saying that he was not going to propose an amendment on the subject of title protection. It might require opening up the entire bill.

Number 1939

REPRESENTATIVE WILSON commented that on page 5, line 9, a marital and family therapist may not charge for services unless the person provides the disclosure statement. She said many unlicensed therapists in small communities are qualified but don't pay the \$700 licensure fee because of the small number of clients.

Number 1982

MS. FINLAY said this clean-up bill and the language quoted by Representative Wilson on page 5, line 9, only apply to licensed therapists. If the person is a member of the Alaska Association for Marriage and Family Therapy, he/she has to be licensed in Alaska, and then must use the required disclosure statement.

REPRESENTATIVE GATTO said he is reading this bill to see whether he could become a marital and family therapist without getting a license.

Number 2139

CHAIR ANDERSON summarized the committee's intentions on HB 135, saying several committee members indicated they would like to

prohibit unlicensed marital and family therapists from practicing but they do not want to initiate the change at this stage of the legislation.

Number 2168

REPRESENTATIVE ROKEBERG asked about Section 1 on pages 1-2 of the bill, in which this board can refer licensed persons who abuse alcohol or drugs for treatment. He asked if there's a cost associated with this treatment and, if so, whether there should be a fiscal note attached.

REPRESENTATIVE WILSON replied that if the person is in alcohol rehabilitation, the person can be referred to marital counseling.

Number 2214

REPRESENTATIVE LYNN reiterated his concerns about reporting imminent harm to the potential victim and the police.

Number 2225

REPRESENTATIVE LYNN moved to adopt Amendment 1, on page 3, line 29, in paragraph (5), line 29, deleting "or" and adding "and".

Number 2277

CHAIR ANDERSON objected.

REPRESENTATIVE WILSON commented that it's important not to put the person doing the counseling in a position of extreme liability. For example, a therapist can always locate the police but may not be able to notify the potential victim.

CHAIR ANDERSON explained his objection to the amendment. He applauded the intent of the amendment, which is when serious physical harm is threatened, the potential victim and the police must both be contacted. But, he said, it does not belong in this section of the bill.

REPRESENTATIVE LYNN said he is less concerned about the liability to the therapist and more concerned about the harm to a potential victim. If the therapist made a documented effort to contact both, then there would be no liability.

A roll call vote was taken. Representative Lynn voted in favor of Amendment 1. Representatives Crawford, Dahlstrom, Gatto, Rokeberg, and Anderson voted against it. Therefore, Amendment 1 failed by a vote of 1-5.

Number 2357

REPRESENTATIVE LYNN moved to report HB 135 out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, HB 135 was reported from the House Labor and Commerce Standing Committee.

The committee took an at-ease from 4:05 p.m. to 4:11 p.m.

HB 120 - SERVICE CONTRACT SALES ARE NOT INSURANCE

Number 2379

CHAIR ANDERSON announced that the final order of business would be HOUSE BILL NO. 120, "An Act excluding service contracts from regulation as insurance; and providing for an effective date."

**TAPE 03-17, SIDE B**

Number 2370

REPRESENTATIVE JOHN COGHILL, Alaska State Legislature, the sponsor of HB 120, said service contracts are being treated as a form of insurance in Alaska. Service contracts are not insurance, he said, and in this bill he proposes excluding service contracts from Title 21, Insurance. He pointed to the language on page 1, Section 1, line 5, of the bill that states in part, "(e) This title does not apply to a service contract offered, issued". He explained that the service contract could then be regulated through other existing laws, for example, contractual law or the Unfair Trade Practices and Consumer Protection Act.

Number 2300

REPRESENTATIVE COGHILL said that regulating service contracts as insurance requires bonding and many pages of regulations. A service contract for an appliance or a computer doesn't involve a risk pool; it's simply a contract to repair the item under certain circumstances. He explained that he considered a model law used by other states but rejected that approach because he didn't want to create more regulations and government. He said he wants to clarify that service contracts should not be

regulated under insurance law, as done by the last administration. He said he's looking for the simple approach. His only question involved whether HB 120 should include automobile service contracts that are covered under AS 45.25.620, Motor Vehicle Transactions.

Number 2210

CHAIR ANDERSON noted that the sponsor's bill packet included information from the Department of Law listing various contract and consumer protection laws.

REPRESENTATIVE COGHILL gave an example of one company, Sears, which sells service contracts in Alaska. Its subsidiary company, Sears Protection Company, will not sell service contracts in Alaska because the Division of Insurance treats it like an insurance company.

Number 2146

STAN RIDGEWAY, Deputy Director, Division of Insurance, Department of Community and Economic Development, explained that the division has been dealing with complaints about service contracts, receiving several calls per month. This bill covers service contracts on property, but the division gets calls regarding a multitude of other types of contracts, for example, ambulance service, towing service, and legal services. This legislation could cull some of the smaller service contracts for which regulation might be overbearing. The current bill is very broad and covers extended warranties and service contracts on all property including automobiles, homes, and home appliances. He said the bill appears to be directed at items like stereos, home appliances, or hot tubs, which range in value from \$200 to \$2,000. These dollar amounts are quite different from the those involved in a home or automobile warranty. He said insurance has a very broad and complicated definition, but simply put, it's a contract to pay or provide a benefit for an unforeseeable loss. Service contracts, including those covered by HB 120, fall under that definition.

Number 2045

MR. RIDGEWAY said he'd like to work with the sponsor to see if they can narrow the scope of the bill and remove home warranties and automobile extended-service contracts and warranties. He recommended focusing on what the bill intends to cover, while giving some of the higher dollar items and more confusing

contracts the protection of insurance. He said there are lots of hybrids in this field: some insurance companies sell service contracts, and some automobile insurance covers towing and rental reimbursement. He strongly recommended clarifying the scope of service contracts up front, keeping the fiscal note low, and meeting the needs of Sears and other companies that would like to provide these contracts.

Number 2008

CHAIR ANDERSON asked Representative Coghill if he would agree to hold the bill over to work with the Division of Insurance.

REPRESENTATIVE COGHILL said yes.

Number 1997

REPRESENTATIVE ROKEBERG asked Mr. Ridgeway if home warranties come under the Division of Insurance's purview.

MR. RIDGEWAY said yes, they do, but admitted upon questioning by Representative Rokeberg that the division has not been enforcing the sale of home warranties by unlicensed sellers.

REPRESENTATIVE ROKEBERG asked Mr. Ridgeway if his division was concerned that consumers wouldn't have a regulatory agency to look after their interests if service contracts were removed from oversight by the Division of Insurance.

Number 1953

MR. RIDGEWAY responded that the Division of Insurance has a lot of work to do, and HB 120 could help clarify where it should direct its efforts. He said it's not a turf battle. He said the division just wants to clarify what a service contract is, for legal services, ambulance, homeowners, automobiles - all of those areas.

REPRESENTATIVE ROKEBERG proposed considering a change in language in HB 120, on page 1, line 8, after "property", to add "or services unless sold as part of an insurance product". He asked if that language would remove all service contracts from the department. He asked if Mr. Ridgeway would support such a change.

Number 1899

MR. RIDGEWAY said that one major issue is that anyone who sells service contracts should have an insurance license. Some people who sell extended warranties for automobile dealers and home warranties do have insurance licenses. But currently there are many sellers of service contracts who are not licensed. He said he's not saying that they need to be licensed; rather, the division wants to clarify it so that staff can deal with it.

Number 1867

REPRESENTATIVE LYNN explained that he's an associate broker with a real estate company, and occasionally he sells a home warranty in addition to a home. He asked if he needs an insurance license in addition to his real estate license.

MR. RIDGEWAY replied that currently the division's interpretation of the insurance statute is that yes, he would need an insurance license.

REPRESENTATIVE ROKEBERG asked what kind of fee and paperwork is involved in registering to sell insurance.

Number 1825

MR. RIDGEWAY said the cost of an insurance license is around \$200. The Motor Vehicle Transactions law, AS 45.25, does not exclude automobile service contracts from insurance regulation; it simply tells people selling these service contracts what kind of guidelines they have to follow. He referenced model legislation by the NAIC [National Association of Insurance Commissioners] that has a different approach to service contracts that would require smaller companies to purchase a bond or reimbursable insurance that would pay the consumers in case the company went out of business. But, he added, the division doesn't want to go there. He said he wants to make it as simple as possible to exempt these types of contracts from the insurance code.

Number 1765

REPRESENTATIVE ROKEBERG confirmed Mr. Ridgeway's point that under AS 45.25.620, automobile service contracts are still an insurance product regulated by the Division of Insurance. He asked Mr. Ridgeway to explain his statement about a required bond for selling insurance.

MR. RIDGEWAY said the bond was an option available if the state adopted the NAIC model legislation for consumer protection.

Number 1737

REPRESENTATIVE DAHLSTROM confirmed that an insurance agent or broker must also pass extensive tests in order to be licensed, in addition to paying a fee.

REPRESENTATIVE LYNN asked how many licensed real estate practitioners are in Alaska.

REPRESENTATIVE ROKEBERG said there are 1,800 to 2,000 in the Anchorage municipality.

REPRESENTATIVE LYNN wondered what percentage of real estate agents in the past have sold home warranties along with selling or listing the house.

MR. RIDGEWAY reiterated that this part of the insurance code is not being enforced.

REPRESENTATIVE ROKEBERG expressed his frustration with laws that are not enforced.

Number 1651

REPRESENTATIVE GATTO asked Mr. Ridgeway to comment about the recourse available to a consumer who paid \$100 for a lifetime of oil changes and then discovered the company disappeared a week later.

MR. RIDGEWAY said that is an example of a maintenance agreement, which is not covered under the Division of Insurance. It is different from a service contract that is designed to repair or replace a product. He added that people tend to use these terms interchangeably: referring to a maintenance agreement as a service contract, and a service contract as a warranty. He explained that warranties are not insurance. Warranties are provided only by the manufacturer; they come with the product at no additional cost.

Number 1581

REPRESENTATIVE ROKEBERG said the Division of Insurance had no authority to investigate individual consumer complaints until about three years ago, when the legislature gave the division

additional authority. Before this change, the division could only act on a pattern of activity. He asked Mr. Ridgeway if the division's ability to follow up on consumer complaints was relatively limited.

Number 1525

MR. RIDGEWAY said there are two separate issues. The division has a section that deals only with consumer complaints. Those complaints are usually a misunderstanding between the policyholder and the underwriter or the agent. Division staff are able to resolve most of these complaints in a relatively short period of time. The division's ability to look at practices of the insurance industry is totally different from helping a consumer resolve an issue. If HB 120 passed and service contracts were excluded from the division's oversight, then the division's consumer protection section would not take complaints about service contracts.

REPRESENTATIVE ROKEBERG summarized two key issues raised in HB 120. People must be licensed to sell home warranties, and auto warranties fall under the jurisdiction of the division. He noted that Representative Coghill can choose to deal with only certain types of service contracts; he can either limit or expand the scope of the bill.

Number 1418

REPRESENTATIVE COGHILL said again that he's willing to hold the bill over. He noted that HB 120 does not exclude automobile warranties under Title 45, Motor Vehicle Transactions, and that provision would remain as is.

Number 1395

CHAIR ANDERSON announced that HB 120 would be held over.

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:45 p.m.