

BANKING AND INSURANCE BOARD OF DIRECTORS
MINUTES OF THE MEETINGS
November 17, 2016, Thursday, 2:00 P.M.
Director's Conference Room, Department of Revenue and Taxation
1240 Army Drive, Barrigada, Guam 96913

Attendance:

Present:

Artemio B. Ilagan. Chairperson and Insurance and Banking Commissioner

Edelfrida A. Ada

Katherine Kakigi

David Silva III

Mark O. Fish

Danilo Rapadas

William West Cassidy

Also Present:

Alice P. Sebastian-Cruz, Regulatory Examiner Supervisor

Nemencio David E. Briones, Regulatory Examiner II

Anita M. Superales, Regulatory Examiner

Call to Order:

The meeting was called to order at 2:15 p.m.

Chairman Artemio Ilagan asked if we met the quorum and inquired if the publication requirements for the Board Meeting have met. Mr. Briones confirmed that the publication requirements were done accordingly. Mr. Ilagan acknowledged the presence of the six board members and announced that Mr. Fish plans to retire in 2017.

Approval of Minutes:

The minutes of the prior board meeting held on Aug 18, 2016 was presented and opened for review. A motion to approve the minutes was made by Edelfrida A. Ada and seconded by Danilo Rapadas. The minutes were unanimously approved.

Old Business:

A letter to the Attorney General Office asking for the opinion on funds deposit with eligible banks for GovGuam Agencies was resent 2 times. One on February 5, 2016 and the latest was June 1, 2016, they have not responded to that, and it is still pending.

Mr. Dave Silva asked if the Commissioner could just issue an opinion. Mr. Ilagan said that when the law passed in 1960 there was no credit union chairman, so the law was crafted only for banks, so we only wanted clarification if it includes credit union.

Service Contract Provider:

Ms. Cruz said there are establishments here that are selling service contract products, which are not on the embedded warranty on the product itself. If you go to Kmart, they will always ask you if you want an extended warranty, the law passed (22 GCA, Article 2, Chapter 12, Division. 2) and that they should be licensed. We sent out letter signed by the Commissioner so that they are aware. Kmart visited our office to apply for a license.

Mr. Silva asked about the Military bases. MS. Cruz responded that we do not know if it applies to navy exchange or the air force Base Exchange because it is federal but will confirm. Mr. Ilagan responded that we could take actions on private companies and of those vendors that are doing business inside the base but not the military business.

Mr. Fish inquired if GM Financial, being used by Auto Spot and Atkins Kroll as lending company, are licensed. Ms. Cruz responded that they are not but presently working with them to abide by the Guam regulations on lending and that the car dealers were given orders to stop the advertisements regarding GM Financial being aired out on radio and on other media like television and face book until proper license is secured. Mr. Fish asked if the department is going to assess penalty. The Office of the Commissioner is currently preparing a follow-up letter to GM Financial regarding securing of license and assessing fees and penalties for prior periods of operating without license.

Mr. Silva responded how easy it is for them to get the license, are they fighting it? Ms. Cruz answered, they cannot fight it, and as long as they have the requirements from the checklist. "Ignorance of the law is not an excuse. They were told when they initially approved that the \$50.00 they paid was only for business set up (example: open a bank account, decide what business to do) and not a license to do business.

Producer Licensing Model Act (PLMA):

The review of the Producers Licensing Model Act about making renewal applications for insurance licenses online is ongoing. The insurance licensing and continuing education Task Force hired Attorney Dooley to work on the insurance law (22 GCA chapters 12,15 and 18 and GAR 12) to make sure that the language of the law complies with the NIPR requirements on Producer Licensing Model Act. The Task Force meets every 3rd Tuesday of the month at the DRT Conference Room.

Mr. Ilagan told the Board members, that he is working with the insurance companies to change their requirements of the CE credit education. There will be changes in the structure of issuing licenses; they will not be called subagents but insurance producers. Attorney Dooley got a contract with the insurance companies, send out to NAIC to see if it's in compliance with their system and hopefully we can go online by next year for the renewal for the insurance license.

Guam SAFE ACT:

There was an amended bill presented to the legislature regarding the Act. The first hearing was held on September 30. We anticipated another hearing before the NMLS renewal expires in December 30, 2016.

Other Matters:

Next board meeting will be held next year third week of February but needs to be confirmed. The Banking and Insurance meeting was adjourned at 2:50 p.m. motion by Danilo Rapadas and seconded by Dave Silva.

Prepared and submitted by:

Confirmed by:


Anita M. Superales
Regulatory Examiner


Alice P. Sebastian Cruz
Regulatory Examiner Supervisor