NATIONAL COUNCIL OF INSURANCE LEGISLATORS
JOINT STATE-FEDERAL RELATIONS AND INTERNATIONAL INSURANCE ISSUES COMMITTEE
ALEXANDRIA, VIRGINIA
SEPTEMBER 24, 2020
DRAFT MINUTES

The National Council of Insurance Legislators (NCOIL) Joint State-Federal Relations & International Insurance Issues Committee met at the Hilton Alexandria Old Town Hotel on Thursday, September 24, 2020 at 3:00 P.M. (EST)

Senator Bob Hackett of Ohio, Chair of the Committee, presided.

Other members of the Committee present were (* indicates virtual attendance via Zoom):

Sen. David Livingston (AZ)
Asm. Ken Cooley (CA)*
Rep. Matt Lehman (IN)
Rep. Joe Fischer (KY)
Rep. Bart Rowland (KY)
Sen. Neil Breslin (NY)*
Asm. Kevin Cahill (NY)
Sen. Jim Seward (NY)*
Rep. Tom Oliverson, M.D. (TX)

Other legislators present were:

Rep. Jim Gooch (KY)
Rep. Derek Lewis (KY)
Rep. Edmond Jordan (LA)*
Sen. Paul Utke (MN)
Sen. Vickie Sawyer (NC)
Del. Steve Westfall (WV)

Also in attendance were:

Commissioner Tom Considine, NCOIL CEO
Will Melofchik, NCOIL General Counsel

QUORUM

Upon a motion made by Rep. Joe Fischer (KY), NCOIL Secretary, and seconded by Sen. Jim Seward (NY), the Committee waived the quorum requirement without objection by way of a voice vote.

MINUTES

Upon a motion made by Rep. Fischer and seconded by Sen. Neil Breslin (NY), the Committee voted without objection by way of a voice vote to approve the minutes from the Committee's March 6, 2020 meeting.

DISCUSSION ON EUROPE'S INSURANCE REGULATORY RESPONSE TO COVID-19

Sen. Hackett asked Matt Brewis, Director of General Insurance and Conduct Specialists at the Financial Conduct Authority (FCA) (who joined via Zoom in the UK), what role does the FCA play in regulating financial services firms in the UK, and how does that fit with the roles of the Prudential Regulation Authority (PRA) and the Bank of England (BoE)? Mr. Brewis stated that

in the UK, the Treasury department of the UK government is the FCA's sponsor and sets the rules and the framework by which the FCA, BoE, and PRA regulate firms in the UK. For insurance companies, the PRA is responsible for solvency and capital requirements and the FCA is responsible for their conduct and protecting consumers and ensuring the markets work well. Mr. Brewis stated that he is responsible in the UK for about 600 insurers; about 7,000 insurance brokers and that includes the Lloyds market as well as general retail selling to consumers directly.

Sen. Hackett asked Mr. Brewis how has the FCA addressed the challenges faced by the insurance industry and consumers during the coronavirus pandemic? Mr. Brewis stated that the biggest challenge that UK firms faced back in March was operational resilience. They had to move from their big tower blocks in the city to everyone working at home. For the most part, all firms did that quickly and safely and managed to continue to provide a high degree of service to the customers they service. That's not without some problems and some increase in risks were faced because of that such as IT issues. But on the whole, it was a strong test of business continuity plans that firms had and they have worked surprisingly well and the FCA has had a huge amount of engagement with the firms to make sure that they continue to treat their customers fairly and continue to provide the services that they need to.

Mr. Brewis stated that one of the obvious challenges faced by consumers in both the US and UK is that because of the economic conditions there have been many thousands if not millions of people who have lost their jobs and therefore struggled to continue to make their payments. The FCA implemented mortgage holidays or deferrals to allow people time to have the safety of having their houses but not having the concern about making payments during the pandemic. In the insurance industry, one of the rules that the FCA introduced early on was around deferral of payments. For many consumers in the UK, they pay on a monthly basis for their car or home insurance. The FCA required firms to either provide payment deferral to consumers or to help them with the issues they had. For some that may have been changing the contract that they had; for many people their cars were sitting and not being used and what the UK saw was that people just de-registered their cars so they no longer needed to pay car insurance. The FCA was trying to find ways to stop people needing to do that. People still need their cars – they just weren't able to afford them. Accordingly, the FCA took steps to assist with payment holidays and put the onus on firms to contact their customers who they understood to be in financial difficulty to assist them.

Linked to that, the FCA changed some rules around product value. Many people in the UK have insurance for their home boiler/heating. As part of that, insurance allows them an annual or bi-annual service of that under the insurance product. They were unable to make use of those because you couldn't have people in homes servicing the boilers. The FCA put the onus on the insurers to say if you cannot provide the product people have purchased, you need to find a way that the consumer can still get value. That might be extending the term of the policy; that may be providing a refund. That will differ between customers and products, but all firms have been required to take action to make sure their consumers get value. With regard to motor insurance for instance, the U.S. has experienced similar issues. Some firms have given $20 refunds to all customers for their car insurance, and some firms in the UK have done that. Mr. Brewis stated that for him, the challenge has been saying to insurers "$20 is great, but what are you doing for those young drivers whose car insurance is expensive and they have an old car and all they use the car for is going to work but they have lost their job? $20 is not going to help them so what are you going to do to make sure those vulnerable customers are still able to get value from the products that have been sold?" That is a tricky question and Mr. Brewis stated that it is different for him compared to the guy down the road – everyone is going to be

different. Accordingly, the FCA has asked firms to think carefully about different customer segments. Later this year, the firms will have to report to the FCA what they have done to provide value to their customers.

Mr. Brewis stated that perhaps the biggest issue that many may have heard about recently is that the FCA has taken eight insurers to court over business interruption insurance. In summary, similar to issues that the U.S. has experienced on the issue, the FCA has taken action because many contracts were unclear and did not clearly define whether they covered pandemics or not; they were silent on the issue and a reading of the policies, in the FCA's opinion, would seem to say that they did cover business interruption caused by COVID-19. Many insurers disagreed with that and as a result, the FCA took a court action to the high court in the UK. A verdict was issued last week. The verdict was mixed but the FCA feels that it won more than it lost. The action will affect 370,000 busines interruption policyholders and that represents thousands of small and medium-sized companies and the backbone of the economy – the restaurants and pubs that employ so many people across the UK. As a result of the action, it is hoped that it will result in some of those businesses being able to continue as others may not have.

Sen. Hackett stated that in Ohio, the first thing the carriers say is there is no premium there for pandemic business interruption coverage so how can you cause a carrier to pay for something that they have not paid a premium for. Mr. Brewis stated that in the UK there are two types of business interruption policies: property damage and non-property damage. For property damage policies, consider a car going through a restaurant's window. In that scenario, there is actual damage to the property and those policies don't work in the pandemic scenario as there is no physical damage to the property. There have been some attempts to say that the virus changes the building at a microscopic level but that argument was not raised in the FCA's case. Those policies represented about 90% of the business interruption policies in the UK. The FCA's case centered around the remaining 10% where there is no property damage so a restaurant will have coverage in the event the chef gets salmonella and they have to close the restaurant or a nursery has an outbreak of measles. Those policies are the ones that the FCA's case potentially helps in the UK. Mr. Brewis stated that he believes that layout is probably similar in the US as well.

Sen. Hackett stated that the US is a big and diverse area. In Ohio, the healthcare people did really strong healthcare modeling in terms of what would be faced and they projected and pretty much closed down hospitals. They projected that 35,000 people would be admitted to the hospital and now it is under 2,000. So, the healthcare modeling they did wasn't even close and that was assuming people wore masks and there was social distancing. Accordingly, Sen. Hackett asked how the modeling was done in UK and asked if the numbers have been as expected. Mr. Brewis stated that he is not an epidemiologist and that is one of the main issues in the FCA case and in general in terms of the prevalence of the disease. As he understands it, it is similar in the US in that the testing regime has picked up considerably recently. If you go back to March and April and May when all the businesses closed, there was not a significant testing regime. So, the question is how do you determine how prevalent the disease was. You can use hospital admissions as a measuring tool but in the more rural parts of the country it is much more difficult to determine. One of the challenges that the UK still faces is a question about how do you determine how widespread COVID-19 was in the UK at that time. There is lots of scientific evidence or conjecture and it is something that is still being worked on.

Rep. Matt Lehman (IN), NCOIL President, asked what process did the FCA go through when making the decision to take the business interruption case to court, and why did the FCA think

that was the best route? Mr. Brewis stated that there were a number of things the FCA could have done. The FCA could have just made some rules to say "we think these policies should pay out." What would have happened then is that the insurers would have taken the FCA to court and in the UK there is a concept of judicial review, which exists also in the US, where they would challenge whether or not the FCA had the power to do that. That would have taken quite a period of time. In the UK there is something called the Financial Ombudsman where individuals can take their complaints if they are unhappy by how they have been treated by their insurer or bank or any finance provider. The same issue would have been present in that scenario where if the insurers didn't like the outcome they could have judicially reviewed the outcome. Accordingly, the FCA figured it was best to skip to the last page knowing that the issue will end up in court anyway. So, what can we do as quickly as possible that will save a lot of work that would have ended up in court anyway and save many individual businesses quickly? For the UK regulatory and judicial system to go from launching the case in April and having a verdict in September that is frankly unheard of in terms of speed and the FCA felt that speed was of the essence due to all of the companies that could be helped. The FCA felt that was the best option to get a quick result.

Asm. Kevin Cahill (NY), NCOIL Treasurer, stated that business interruption coverage is one of the most important issues of many of the people that reach out to state legislator's offices. Asm. Cahill asked Mr. Brewis to break down who won what issues in the FCA case; and also asked with regard to the very few cases that he has come across in New York involving someone who actually purchased pandemic business interruption insurance, and invariably it was Lloyds of London selling that, if there were any similar scenarios internationally. Mr. Brewis stated that the FCA asked its lawyers to review 600 policy types. Frustratingly, there isn't one common wording that is used. Every firm has multiple and in some cases hundreds of different wordings of business interruption insurance. Accordingly, the FCA looked at where the trends were and what the issues were. The FCA focused on the policies that they FCA believed the insurers decided incorrectly. There were some things the FCA thought the insurers were right on. The issues focused on were prevention of access – does the government saying "you have to close" mean that you are prevented from accessing your building. The insurers say no, you can still actually go to your building and get in but you just cant open for business. The FCA won on that issue. However, one of the issues that the FCA did not win was that involving when the government suggested that businesses close but didn't legally require them to. For example, in the UK it was suggested that dentists close but they were not required to do so.

Other issues included in the case centered around if you had to have the disease on the premises, and that forced you to close for a long period of time. The FCA lost on that issue because you can deep-clean the building so you might be covered for three days while cleaning but then afterwards, the coverage is gone. Another issue centered on policies requiring emergency local restrictions to be imposed; not a national restriction but rather something within a small vicinity. That is something that is now more prevalent in the UK – more localized lockdowns as opposed to national lockdowns.

With regard to Asm. Cahill's second question, Mr. Brewis stated that the FCA case covers policies written in the UK. It is possible that some of those policies were underwritten in the UK but wrote elsewhere. Mr. Brewis stated that he would be happy to look into the issue further and get in touch with Asm. Cahill afterwards. One of the issues discussed in the case was a famous judgment called the Orient Express. That dealt with a hotel in New Orleans that was damaged during Hurricane Katrina. The business tried to claim on its business interruption policy since the premises were damaged because of Katrina and therefore stated I should be paid under the policy. The insurers denied coverage and it went to court where the court ruled

in favor of the insurer on the basis that Katrina was a widescale event and it didn't just impact the hotel. So, even if the hotel had not been damaged, it would not have had any customers because of how the area was so dramatically damaged. The corollary to the FCA case is that people were not going out for dinner so even if you were open you would not have had any business anyway. The judges in the FCA case determined that the Orient Express case was probably incorrectly adjudicated by the previous court, so it leaves it open to further challenge in the future. That is something that insurers are immensely excited about going forward.

Rep. Lehman asked how the UK insurance industry has been affected by the coronavirus and Brexit, and what has that meant for the competitiveness of the UK market as a whole? Mr. Brewis stated that there is a huge amount we don't know about Brexit despite it having been going on for over four years now. It looks like it is going to happen in a few months one way or another. In the past few years, many insurers in the UK have gotten ready for Brexit by setting up European businesses and by moving their mainland Europe business out of the UK and into Europe, setting up new legal entities. It wont change how the FCA supervises in the UK. On Day 1, the rulebook will be exactly the same as it is today but there will be an opportunity for divergence in the future. So, COVID-19 hasn't changed the planning for Brexit and hasn't changed the approach and the rules that have been in place and expectations that the FCA has for firms. However, the double whammy of Brexit and COVID is going to make it an interesting period. But, the insurers, who the FCA has been talking to for years now, feel that they are ready for Brexit and have moved the business they need to and in some ways it shouldn't be as tricky and difficult as it may have been if this was a year or two previous.

Rep. Lehman asked where the business is being moved. Mr. Brewis stated that the business is being moved to different places. There are some insurers who are domiciled in other places in Europe and happen to have expanded into the UK – those insurers were already well equipped for Brexit. The big insurance hubs are in Paris, Amsterdam and Frankfurt – those are attractive places to move business. In industries other than insurance, we are seeing more onshoring into Europe as people split their businesses. For companies like Lloyds, the London market is a key part of the infrastructure and so FCA is working very closely with Lloyds as well as the whole London market in understanding the impacts and making sure they can continue to operate as well as they always have and have those constant conversations to make sure the UK remains a competitive place for businesses to operate.

Sen. Hackett asked if there has been any change to the Brexit advice for firms and consumers as a result of the pandemic? Mr. Brewis stated that most of the Brexit plans rely on the free trade agreements or any other agreements made by the government. All firms are prepared for various different types of Brexit depending on what deals are agreed upon with Europe. There have been three or four times where Brexit has been so close so firms are now well practiced in walking up the hill and being operationally ready. The COVID overlay is a difficult one to add into the mix but int terms of Brexit, those rules are pretty well set for most firms. The COVID response is in parallel and FCA's focus is on consumers and making sure that they have the services that they need and ensuring that they are protected. That continues to be the focus of Mr. Brewis and his team at the FCA.

Mr. Brewis closed by stating that if there are any follow-up questions, particularly with regard to business interruption, his e-mail address is part of the meeting info and he would be happy to answer any questions.

FEDERAL RESPONSE TO DYNAMEX: DISCUSSION ON U.S. DEPARTMENT OF LABOR EMPLOYEE CLASSIFCATION REGULATION

James A. Paretti, Jr., Shareholder at Littler Mendelson P.C., stated that he will be discussing the U.S. DOL's joint employer final rule under the Fair Labor Standards Act (FLSA). Before getting into that, Mr. Paretti stated that it is important to un-muddy the waters as there are two issues that tend to get muddied together. One issue is whether a worker is properly classified as an employee or an independent contractor. There has been a lot of activity in states, most notably in California with AB 5, around that issue of whether a given worker is an employee and given the protection of wage and hour laws or an independent contractor. The issue is often put as one of misclassification. Something similar but distinct is the issue of joint employer status under the FLSA. The question here is whether someone is a joint employee meaning there is no question that the person is an employee to an employer – the question is whether there is a second or other employers to whom that employment relationship exists.

For years, there have been several tests varying from circuit to circuit. The DOL has set forth a final rule for determining whether an employee of one company may be held to also be employed by the second company - the joint employer. The DOL put forth a four-part test which is a balancing test and no single factor is dispositive of the equation. Essentially, the rule looks to a lot of what the common law states and clarifies and brings more certainty to it. In determining whether one employer is the joint employer of another entity's employee, they are going to look to see if the putative joint employer hires or fires the employee; supervises and controls the employee's work schedule or the terms and conditions of employment to a substantial degree; determines the employee's rate and method of payment; and maintains the employee's employment records.

The test makes very clear that no single factor is dispositive in determining joint-employer status. The DOL did state that if the fourth factor of maintaining employment records is the only box that is checked, that is on its face going to be insufficient but combined with other factors it may be sufficient. The final rule also clarifies that when you are looking at these factors, the joint employer must actually exercise direct or indirect one of the control factors. A significant issue over the years in litigation has been the issue of contractually reserving the right to fire subcontractors and employees but as a practical matter that right was never exercised. Some courts have said that under the common law rule that would be sufficient to get joint-employer status. The DOL mas made clear that is not the case and they are going to look into whether control is being exercised directly or indirectly.

The DOL rule also establishes that there are additional factors that may be relevant in terms of determining a joint-employer relationship. The rule also makes clear and identifies certain business models that do not make joint-employer status more or less likely. Mr. Paretti stated that he believes that was done to address the franchise model where we have increasingly seen a lot of cases of employees of a franchise restaurant are suing the owner of the franchise and also suing the national franchisor on the theory that it is a deeper pocket. The argument is that because franchises are such a structured relationship, that national franchisor at the top is really exerting control at the top. The DOL rule makes clear that franchising is not in and of itself indicative of or more likely to result in a joint employer finding.

Similarly, the rule states that if a contracting business requires certain terms and conditions relating to the employees of another company such as requiring that a subcontractor company institute sexual harassment policies, that does not increase the likelihood of the contracting company being deemed a joint employer. The rule also includes a number of examples illustrating the application of the four-factor test to certain business-to-business fact patterns. The examples are good, but as is usually the case with regulatory examples, they tend to be the easier cases rather than the hard cases, but the principles drawn from them can be distilled.

Mr. Paretti stated that this past May, a coalition of State Attorneys General (mostly Democratic) sued the DOL to challenge the rule under the Administrative Procedures Act (APA) claiming that it was arbitrary and capricious, departed from prior precedent and is insufficiently grounded in the FLSA itself which has traditionally been read fairly protectively. The case is New York v. Scalia, 2020 U.S. Dist. Lexis 163498, 1:20-cv-1689-GHW (S.D.N.Y. September 8, 2020). The District Court vacated the portion of the final rule applying "vertical" employment relationships. Mr. Paretti stated that his firm represents a group of trade associations who have intervened in the lawsuit to bring the interests of the business community to the table since the DOL is tasked with upholding their rule, not with representing any outside interests. As of today, the DOL has not made clear whether it intends to publish a new rule or appeal the District Court's decision or take another route. Accordingly, we are back to square one with this issue in terms of having to look at the common law in a particular circuit to answer these joint-employer questions.

Joe Capurro, Immediate Past President of the California Applicants Attorneys Association (CAAA), stated that he will talk about employee classification issues particularly in light of the California Supreme Court case *Dynamex* which is a fairly celebrated case in California along with the legislation that followed that case. Misclassification of employees as independent contractors is not a new problem but because of increasingly complex employee arrangements, it has become an issue of recent concern which ultimately led to the *Dynamex* decision. Before *Dynamex*, the standard for determining employment was called the control of work test – the right to control the manner and means of accomplishing the desired result of the activity. When making that determination, the CA SC in *Borello* stated that there were essentially nine subfactors that needed to be looked at such as the right to discharge the employee, what the pay arrangement was, who supplied tools, whether special skills were required and what the beliefs of the parties were with regard to the arrangement.

The standard was a factual standard and no one factor controlled. Decisions were hard to reconcile under that standard. In *Dynamex*, the case involved a day delivery service which had previously had its drivers as employees but at one point changed its policy and offered them all the opportunity to become independent contractors. The question became one of overtime and wage and hour issues which went to the CA SC. The case is Dynamex Operations W. v. Superior Court and Charles Lee, Real Party in Interest, the cite is 4 Cal.5th 903 (Cal. 2018). The court said with regard only to wage and hour issues (which is important as the SC said the case doesn't apply to other areas such as workers' compensation) they were shifting from the *Borello* test to a simple and more straightforward test referred to as the ABC test because there are three elements: whether the worker is free from control and direction of the hiring and performance of the work both under the contract and in fact; whether the worker performs work that is outside the usual course of the hiring entity's business; and whether the worker is customarily engaged in an independently established trade, occupation or business of the same nature of the work performed.

Following the case, there was a lot of commentary about what the actual decision was and whether the sky was falling for employment relationships in California or whether this was a wonderful decision which provided substantial new protections to the worker. There were follow-up cases, one involving a franchise janitorial service which applied *Dynamex* and found that they weren't truly franchisees but rather employees. Another case involved a taxi cab driver who drove for a company that controlled 90% of the taxi market in the area. That led to the introduction of several pieces of legislation in the CA legislature, some trying to undue the SC's decision and some trying to codify it and expand on it. The result was AB 5, legislation by Asw. Lorena Gonzalez which did in fact codify the decision and applied it to all labor issues, not just wage and hour issues. So, in CA, the ABC test is the standard test. However, within the

legislation, a number of industries were exempted and still operate under the *Borello* test. There is likely to still be some confusion. One industry that did not participate in the legislative process seeking relief from the ABC test was the app-based ridesharing and delivery service industry – the gig economy. They have proposed proposition 22 which would for the first time create a presumption of independent contractor status within that industry.

Rep. Lehman asked if so many independent contractors now become employees, how will that affect workers' compensation, employment practices liability and professional employment organizations (PEOs) – what is the end result going to be for the employer? Mr. Capurro stated that he does not have a crystal ball but given the number of exceptions, many industries are going to continue to operate the same way. For instance, real estate brokers are exempted and that is an industry that typically identifies the broker as an independent contractor. Hairdressers and barbers are part of the exempted class. It is very typical in that industry to have the provider of service rent the chair from the owner of the salon. Thus far, the sky is not falling and businesses are going to go on. Also, the law makes clear that it does not prohibit an independent contractor relationship; it prohibits the mis-classification of an employee. So, if you are a hirer and you want to treat someone as if they are an employee, you cant call them an independent contractor. That is basically what the law provides.

Rep. Lehman stated that, using the janitorial example, if he goes out and contracts with ten people and pays them $15 per hour with no other payments such as workers' compensation, and now they become his employees, does that just set up the scenario to go and hire someone else. The sky may not be falling but it may be set up such that pieces of it may fall. Mr. Capurro stated that is a significant concern that was expressed during the process. The answer is that if your business is not set up as a janitorial service, you can hire a janitor as an independent contractor. Mr. Capurro stated that, as a lawyer, if he has a janitor come in to clean his office, he does not have to have that person be his employee – he can choose to do so but having his office cleaned is not an essential part of his work so that person does not have to be an employee under the AB 5 standard.

Mr. Paretti stated that to some extent he agrees with Mr. Capurro but does not on other issues. After the passage of AB 5, several people were concerned including freelance writers. In the last legislative session, further exceptions were included to AB 5. Mr. Paretti stated that he thinks the point Mr. Capurro is getting at is that of the three factors in the test, the second prong is difficult because the contractor is not in the normal course of your business. To use Mr. Capurro's example - a lawyer contracting with someone to clean their office – there is no argument that the lawyer is in the business of cleaning. But where it starts to get more difficult is when you bring in folks that are very closely related to what your enterprise is but are not necessarily the business you are in such as a bakery that wants to use delivery services – am I in the business of baking such that if I am contracting with a delivery company and an independent contractor to be my driver, I am free and clear? Or is a court going to look at it and say "no, you are in the business of delivered cakes and you don't really have a storefront" thus raising issues as to how integral they are to the business. Accordingly, that second prong is what has gotten the most attention.

Mr. Paretti stated that he suspects we will see additional legislation and certainly additional proposed fixes. In the immediate aftermath, there were reports of freelance writers having issues where there was a strict cap put in place such that if you submitted more than 35 pieces to a publisher, you are no longer a freelancer and you are an employee of that publisher. Well, entities such as Vox said they would not engage with freelancers from California anymore because they didn't want to run the risk of people mis-counting how many articles they

submitted and therefore having an improper employee classification. That was somewhat addressed in AB 2357 which was the bill with a new set of amendments to AB 5 but there is still a lack of clarity in situations like those.

Mr. Capurro stated that there are going to be some close calls. In his industry, there is an issue with regard to interpreters. If I have a non-English speaking client and I need an interpreter, is that an essential part of my business or is that an outside service? That is a question that will arise down the road.

Asm. Cooley stated that this issue became highly controversial in California as any profession that in any way has colleagues that they organize in some fashion got involved to raise the rancor of their political voice of being in or out. For example, truckers and journalists got involved and every imaginable group got involved. There are no ballot propositions on the current ballot – prop 22 relates to Uber and Lyft. It is the case that a law was passed with a series of cutouts which included insurance agents but the legislature keeps coming back with other bills and even calls to recall the Governor since he signed AB 5. There is quite an energy in this issue among different constituencies around CA. One of the reasons the insurance agent cutout was achieved is because the only reference to agency in the CA state Constitution concerns insurance agents. It is an obscure area of the law dealing with retaliatory taxation but nonetheless for the longest time there has been constitutional law addressing insurance agents. That fact became a helping effect to get the cutout for insurance agents in AB 5 because they did not want to run afoul somehow of constitutional law that might cause an infirmity. This is an issue that has really riled up a lot of organized employer groups. There was an information hearing done in the Capital in the Spring of 2019 and Asm. Cooley stated that it must have been six hours of non-stop testimony that you would characterize as highly vitriolic and people were very upset. Asm. Cooley stated that he was the only person besides the Chair to sit through the whole hearing to see how it unfolded.

Mr. Paretti stated that he agrees with Asm. Cooley and stated that like many issues involving labor and employment, this issue is very heated and moving quickly with a lot of strong arguments on both sides. It will be interesting to see what happens with the ballot proposition. Mr. Paretti thanked the Committee for the opportunity to speak. Mr. Capurro thanked the Committee for the opportunity to speak.

ADJOURNMENT

Upon a Motion made by Asm. Cooley and seconded by Rep. Tom Oliverson, M.D. (TX), the Committee adjourned at 4:00 p.m.