



Territory of Guam
Territorio de Guam

OFFICE OF THE GOVERNOR
OFISINAN I MAGA LAHI
AGANA, GUAM 96910 U.S.A.

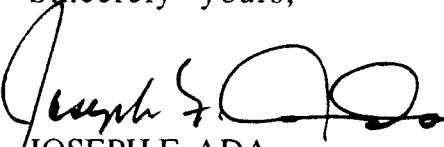
MAR 30 1992

The Honorable Joe T. San Agustin
Speaker, Twenty-First Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Mr. Speaker:

Transmitted herewith is Bill No. 85, which I have signed into law
this date as Public Law 21-92 .

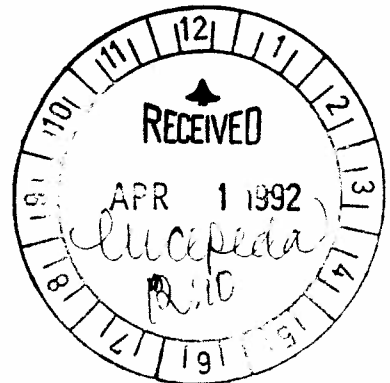
Sincerely yours,



JOSEPH F. ADA
Governor

210724

Attachment

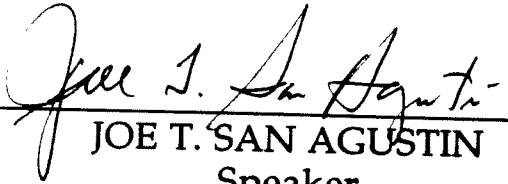


Commonwealth Now!

TWENTY-FIRST GUAM LEGISLATURE
1992 (SECOND) Regular Session


CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Bill No. 85 (LS), "AN ACT TO ADD §43251a TO TITLE XXXIX OF THE GOVERNMENT CODE TO AUTHORIZE THE INSURANCE COMMISSIONER TO IMPOSE ADDITIONAL EDUCATION REQUIREMENTS, AND TO AMEND SECTION 7(a) OF PUBLIC LAW 21-14, ON THE EXCHANGE OF GOVERNMENT REAL PROPERTY IN BARRIGADA WITH LOT NO. 1090-2-3, ON AN AREA FOR AREA BASIS," was on the 13th day of March, 1992, duly and regularly passed.



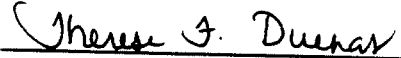
JOE T. SAN AGUSTIN
Speaker

Attested:



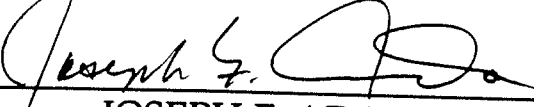
PILAR C. LUJAN
Senator and Legislative Secretary

This Act was received by the Governor this 19th day of March, 1992,
at 11:15 o'clock A.M.



Theresa J. Duenas
Assistant Staff Officer
Governor's Office

APPROVED:



JOSEPH F. ADA
Governor of Guam

Date: 3/30/92

Public Law No. 21-92

TWENTY-FIRST GUAM LEGISLATURE
1991 (FIRST) Regular Session

Bill No. 85 (LS)

Introduced by:

A. R. Unpingco
M. C. Ruth
E. M. Espaldon
D. F. Brooks
M. J. Reidy
M. D. A. Manibusan

AN ACT TO ADD §43251a TO TITLE XXXIX OF THE GOVERNMENT CODE TO AUTHORIZE THE INSURANCE COMMISSIONER TO IMPOSE ADDITIONAL EDUCATION REQUIREMENTS, AND TO AMEND SECTION 7(a) OF PUBLIC LAW 21-14, ON THE EXCHANGE OF GOVERNMENT REAL PROPERTY IN BARRIGADA WITH LOT NO. 1090-2-3, ON AN AREA FOR AREA BASIS.

1 **BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:**

2 **Section 1.** §43251a is added to Title XXXIX of the Government Code to
3 read:

4 "§43251a. **Additional education.** For the protection of the
5 people of Guam, the Commissioner shall not permit a person to
6 continue as licensed to sell insurance pursuant to this Article unless
7 such person has demonstrated, to the satisfaction of the
8 Commissioner, that in addition to meeting the standards contained
9 in this Article for the issuance of such license such person has
10 continued to meet such additional educational requirements as the

1 Commissioner may prescribe by regulation adopted pursuant to the
2 Administrative Adjudication Law for the purpose of maintaining or
3 improving such person's insurance skills or knowledge."

4 **Section 2.** (a) Subsection (a) of Section 7, Public Law 21-14, is amended
5 to read:

6 "Section 7. (a) The Governor shall exchange government real
7 property in Barrigada with Lot No. 1090-2-3, Barrigada, containing
8 an area of approximately one thousand one hundred seven (1,107)
9 square meters, belonging to Juan A. Camacho and Dolores U.
10 Camacho (the "Owners") on an area-for-area basis. The Directors
11 of Public Works and Land Management shall negotiate with the
12 Owners for an acceptable tract of government real property to be so
13 exchanged."

14 (b) The amendment made in subparagraph (a) of this section whereby
15 the exchange is on an area-for-area basis represents no change in the general
16 policy of value-for-value exchanges of government land, but results from a
17 unique situation wherein the only fair basis for exchange is area-for-area.

Twenty-First Guam Legislature

155 Hesler Street
Pacific Arcade
Agana, Guam 96910
Telephone: (671) 472-3407/8/9
FAX: (671) 477-3161



Chairman, Committee
on Ways & Means

Vice-Chairman, Committee
on Tourism & Transportation

CARL T. C. GUTIERREZ

Senator

January 23, 1992

The Honorable Joe T. San Agustin
Speaker
Twenty-First Guam Legislature
155 Hesler Pl.
Agana, Guam 96910

Dear Mr. Speaker:

The Committee on Ways and Means wishes to report out its findings on **BILL NO. 085 "AN ACT TO ADD A NEW SECTION 43251A TO THE GOVERNMENT CODE TO AUTHORIZE THE INSURANCE COMMISSIONER TO IMPOSE ADDITIONAL EDUCATION REQUIREMENTS** to the full Legislature with the recommendation to do Pass as Introduced.

The Committee Voting Record is as follows:

TO PASS:	11
NOT TO PASS:	0
ABSTENTIONS:	1
INACTIVE FILE:	0

Copies of the Committee Report and all pertinent documents are attached for your information.

Sincerely,

A handwritten signature in cursive script, appearing to read "C. Gutierrez".

CARL T.C. GUTIERREZ

VOTING SHEET

BILL NO.
 085

AN ACT TO ADD A NEW SECTION 43251A TO THE GOVERNMENT CODE TO AUTHORIZE THE INSURANCE COMMISSIONER TO IMPOSE ADDITIONAL EDUCATION REQUIREMENTS.

	<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>ABSTAIN</u>	<u>TO PLACE IN INACTIVE FILE</u>
Senator Carl T. C. GUTIERREZ Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Herminia D. DIERKING Vice-Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator John P. AGUON Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Elizabeth P. ARRIOLA Member	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Senator George BAMBA Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Anthony BLAZ Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Doris F. BROOKS Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ernesto M. ESPALDON Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Marilyn MANIBUSAN Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Don PARKINSON Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Michael J. REIDY Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Martha C. RUTH Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator David SHIMIZU Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Speaker Joe T. SAN AGUSTIN Ex-Officio Member	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**COMMITTEE ON WAYS & MEANS
COMMITTEE REPORT
ON**

**BILL NO. 85: AN ACT TO ADD A NEW SECTION
43251A TO THE GOVERNMENT CODE TO
AUTHORIZE THE INSURANCE COMMISSIONER
TO IMPOSE ADDITIONAL EDUCATION
REQUIREMENTS.**

The Committee on Ways & Means conducted a public hearing on Tuesday, July 9, 1991 beginning at 8:00 a.m. in the Legislative Public Hearing Room to gather testimony on Bill No. 85. Present at the hearing were Senator Carl T.C. Gutierrez, Chairman of the Committee conducting the hearing, being joined by Senators Herminia D. Dierking, Anthony C. Blaz, Michael J. Reidy, David L. G. Shimizu, Elizabeth P. Arriola, J. George Bamba, and Doris F. Brooks.

TESTIMONY

Mr. Vicente M. Concepcion, Acting Insurance Commissioner, Department of Revenue and Taxation submitted written testimony in favor of Bill No. 85. Mr. Concepcion stated that the insurance industry has become increasingly more complex and sophisticated both in its operational technique and the services offered to the general public. Also an increasing number of products are being designed and marketed to satisfy the needs of insurance customers. Because of accelerated competition that more and more insurance companies are experiencing financial and overall solvency crises. Mr. Concepcion also stated that they firmly believe that as a prerequisite to renewal of a license to sell insurance in the currently highly competitive market, an individual should participate in programs and seminars designed to maintain and increase his skill knowledge and competency. Continuing education is a valuable tool which can be utilized to achieve these goals.

Mr. Frank B. Salas, immediate Past President, Guam Association of Life Underwriters, submitted written testimony in favor of Bill No. 85. In his testimony, Mr. Salas indicated that the insurance industry has been faced with negative images and that it is time that the buying public, the people of Guam, be considered first and foremost. Bill No. 85 will not only set educational and professional standards for the insurance industry, but, will also establish consumer confidence in dealing with insurance professionals.

Mr. Michael S. Katsuren, current Chairman of the Guam Fire Casualty and Marine Insurance Association testified orally in support of Bill No. 85. Mr. Katsuren stated that such additional educational requirements can do no harm to the general public, in fact it will help in the future through more qualified and more experienced insurance agents. This will also ensure that the people selling insurance know what it is that they are selling.

Mr. John S. Pillsbury, Special Agent for Prudential and a member of GALU, testified orally in full support of Bill No. 85.

Mr. Carl Peterson, Certified Financial Planner and a Registered Investment Advisor, submitted written testimony in favor of Bill No. 85. Mr. Peterson in his testimony, went on to say that there is no panacea but the best shot a client has at becoming independent is to be dealing with a representative who is committed to constant learning, either by postulation or by the desire to be the most informed and the best he can be. He also stated that, knowing, understanding and implementing the multitude of saving investment and insurance products today requires almost constant study. It would seem the least representatives can do is to show a minimum of consideration to the consumer by fulfilling reasonable education requirements in order to earn their respect. There are a lot of wonderful opportunities out there to solve client problems and assist them to achieve financial independence, all we have to do is keep on learning.

Mr. Frank J. Campillo, Manager, Moylan's Insurance Underwriters, Inc. submitted written testimony on behalf of Moylan's Insurance supporting the passage of Bill No. 85. They feel that the people of Guam will be well served by enacting Bill No. 85 in law. Most states have already passed similar laws, which are also supported by all National Insurance Associations and Insurance Commissioners. It will help to improve the professionalism of the insurance industry in Guam with the consumer as its ultimate benefactor.

Mr. Benedicto C. Toves, President, Guam Association of Life Underwriters, submitted written testimony of behalf of the Association, pledges their support for Bill No. 85. Mr. Toves stated that for years their National Association of Life Underwriters has stood firm in their commitment to "Continuing Education". This Bill lays the foundation and substantiates the need for a professional industry, the insurance industry. Expect only positive results once the bill passes into law. As our economy becomes more and more sophisticated in computer technology, taxation, etc., insurance agents and companies would continue to update their knowledge of products and services, thus, giving the buying public assurance and confidence in doing business with us.

COMMITTEE RECOMMENDATION

The Committee on Ways & Means, after due consideration of the testimony offered in support of Bill No. 85, recommends that Bill No. 85 be reported out to the full Legislature to **Do Pass as Introduced.**

TWENTY-FIRST GUAM LEGISLATURE
1991 (FIRST) Regular Session

Bill No. 25

Introduced by:

A.R. Unpingco

M.C. RUTH

WMM

AN ACT TO ADD A NEW SECTION 43251A
TO THE GOVERNMENT CODE TO AUTHORIZE
THE INSURANCE COMMISSIONER TO IMPOSE
ADDITIONAL EDUCATION REQUIREMENTS.

WMM
M. Amable

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:
2 Section 1. A new section 43251A is added to the
3 Government Code to read:
4 "Section 43251A. For the protection of the people of
5 this territory, the Commissioner shall not permit a person to
6 continue as licensed to sell insurance pursuant to GC Title
7 XXXIX, Ch II, Art. VII unless such person has demonstrated,
8 to the satisfaction of the Commissioner, that in addition to
9 meeting the standards contained in the above enumerated
10 sections for the issue of such license such person has
11 continued to meet such additional educational requirements as
12 the Commissioner may prescribe by regulation adopted pursuant
13 hereto for the purpose of maintaining or improving such
14 person's insurance skills or knowledge."



JOSEPH F. ADA
Governor

FRANK F. BLAS
Lieutenant Governor

DEPARTMENT OF

REVENUE & TAXATION

GOVERNMENT OF GUAM

JOAQUIN G. BLAZ, Director • V.M. CONCEPCION, Deputy Director

JUL 08 1991

The Honorable Carl T.C. Gutierrez
Chairman, Committee on Ways and Means
Twenty-First Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Senator Gutierrez:

My name is Vicente M. Concepcion, I am the Acting Insurance Commissioner and would like to take this opportunity to submit my comments regarding Bill No. 85:

AN ACT TO ADD A NEW SECTION 43251A TO THE GOVERNMENT CODE TO AUTHORIZE THE INSURANCE COMMISSIONER TO IMPOSE ADDITIONAL EDUCATION REQUIREMENTS.

The insurance industry has become increasingly more complex and sophisticated both in its operational technique and the services offered to the general public. An increasing number of products are being designed and marketed to satisfy the needs of insurance customers. It is because of accelerated competition more and more insurance companies are experiencing financial and overall solvency crises. Most insurance companies are currently facing greater competition.

We firmly believe that as a prerequisite to renewal of a license to sell insurance in the currently highly competitive market, an individual should participate in programs and seminars designed to maintain and increase his skill knowledge and competency. Continuing education is a valuable tool which can be utilized to achieve these goals. We support the proposed addition of a new Section 43251A to Title XXXIX of the Government Code.

Sincerely,

VICENTE M. CONCEPCION,
Acting Insurance Commissioner

7-9-91

GENERAL FAX TOPSHEET

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME: Senator Carl Ginterney & Senator Tony Ursinger

DIVISION: Chair, Comm. Ways & Means

PHONE #: _____ FAX #: 477-361, 477-1323

COMMENTS: RE: Written Testimony
for Bill No. 85 (attached)
In addition, an oral testimony
was present at today's (7-9-91)
public hearing.

FROM:

NAME: FRANK B. SALAS

DIVISION: G.A.L.U. / PRUDENTIAL

PHONE #: 477-5713/4 FAX #: 477-5792

NUMBER OF PAGES (INCLUDING TOPSHEET): 2

**TESTIMONY FROM FRANK B. SALAS
REGARDING BILL NO. 85**

My name is Frank B. Salas, Immediate Past President, Guam Association of Life Underwriters. I have been in the insurance business for over seven years. I am in favor of Bill No. 85.

For many years on Guam, the insurance industry has been faced with negative images. It is time that the buying public, the people of Guam be considered first and foremost.

The passage of Bill No. 85 will not only set education and professional standards for the insurance industry, but, will also establish consumer confidence in dealing with insurance professionals.

Gone are the days of past, where an individual completes a license application and in the very same day is permitted to sell insurance products. The coming decade as well as the 21st century presents major challenges for agents, companies and the industry. Products, technology, and the ever changing government regulations (Local and Federal) create the necessity to be well informed and in maintaining exemplary service.

If I can be of any further assistance, please feel to contact me. I am the Assistant Manager for the Guam Prudential Office. Tele: 477-5713/4.

Thank You for giving me this opportunity to share my thoughts!!

Frank B. Salas

**TESTIMONY ON BILL 85
BY CARL PETERSON, CFP
JULY 9, 1991**

Members of the Committee, my name is Carl Peterson. I'm a Certified Financial Planner and a Registered Investment Advisor. I've been a "Guamanian" for 26 years and I've been in the financial services industry, namely insurance and investments the entire period. I'm here to testify in favor of Bill 85.

When I came to Guam, I knew next to nothing about using money as a tool to achieve goals. Back then everything was simple - it had to be because there were no computers. In the 60's a new representative could walk in the office in the morning and be able to see his first customer in the afternoon. He would be given a rate book with everything he needed to know in order to sell to his customer and have all the answers. Many products had basically remained unchanged for a hundred years.

Those were the days of guarantees. Congress had a balanced budget and therefore there was little or no inflation. A $2\frac{1}{2}$ - $3\frac{1}{2}$ % guarantee was adequate because it meant $2\frac{1}{2}$ - $3\frac{1}{2}$ % net after tax and after inflation. Tax rates were as high as 70% for those in the high income tax bracket. The client had to assume a certain amount of risk to earn 10% on an investment, pay the 70% tax, in order to end up with 3% growth. Insurance policies were a safe secure place to put money and everything was set in concrete. Not so, now.

In the late 70's we started to have inflation like no one had ever seen, with corresponding high interest rates. NONE of the traditional vehicles were working as expected. New concepts, new products, and new methods had to be explored. And they were. There was a proliferation of new ideas. There was a virtual explosion of new products and methods of marketing them. Part of the reason was because of all the technical changes in the tax laws affecting every taxpayer. The biggest change came in 1986 and we've had significant tax legislation passed, and cumbersome regulations imposed, every year hence. There is hardly a product that now has a shelf life of 10 years. They have all been revised, updated and superseded. Literally everything is done by computer and there is much less concern for guarantees - people want to be current with the ~~market~~.

What's the net effect of all this change that's turned the way we do business upside down? First, the millionaires pay their lawyers, CPA's, and financial planners to keep them out of trouble and on the right track. They can react to the changes and the very complex new rules rather quickly because the fee for this information is a very small percentage of their assets. To advise them accurately, certified professionals are required to study almost continually in order to keep their certification. If you go into the business to render investment

advice, you present your credentials to the Securities Exchange Commission for registration as a Registered Investment Advisor, a process no one relishes as the potential liability gets greater and greater.

The big boys manage. But what about the ordinary family person who hasn't yet achieved his or her financial independence. They can't afford to hire specialists. They must rely on whatever is presented to them. In the investment business the usual result is called "churning". This means the client goes from one company to another, starting over each time a new salesperson says his existing product is no good and he should buy his. Every one of us are gullible to a certain extent and we are all ignorant outside our area of expertise or parameter of experience. I would hope much of the churning takes place because of inexperience or misguided enthusiasm and blind faith, as opposed to planned misrepresentation. Nevertheless, it's been our experience that vast numbers of salaried people do not get anywhere near the best advice in order to make an informed decision and consequently become the big losers. They don't realize the difference one point makes over a long period of time. We're not talking about a box of soap where the consequence of changing brands is insignificant. We're talking about major financial setbacks for many families when they make changes which do not result in economic gain.

There is no panacea but the best shot a client has at becoming independent is to be dealing with a representative who is committed to constant learning, either by postulation or by the desire to be the most informed and the best he can be. Knowing, understanding and implementing the multitude of saving, investment and insurance products today requires almost constant study. It would seem the least representatives can do is to show a minimum of consideration to the consumer by fulfilling reasonable education requirements in order to earn their respect. There are a lot of wonderful opportunities out there to solve client problems and assist them to achieve financial independence. All we have to do is keep on learning. I strongly support the intent of Bill 85.



Moylan's Insurance Underwriters, Inc.

Home of the Good Guys

705 SOUTH MARINE DRIVE, TAMUNING, GUAM 96911

TEL: (671) 649-5387, 5388, 5389, 5390, 5391

FAX: (671) 649-5386

July 8, 1991

Senator Carl T.C. Gutierrez
Chairman
Committee on Ways and Means
Twenty-First Guam Legislature
Agana, GU 96910

SENT VIA FAX:
(671) 477-3161

RE: Bill No. 85

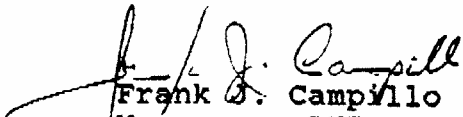
Dear Senator Gutierrez:

I, on behalf of Moylan's Insurance, would like to take the opportunity to support the passage of Bill No. 85.

We feel that the people of Guam will be well served by enacting Bill No. 85 into law. Most states have already passed similar laws, which are also supported by all National Insurance Associations and Insurance Commissioners. It will help to improve the professionalism of the insurance industry in Guam, with the consumer as its ultimate benefactor.

Please let us know if we can be of any assistance or if you require further information.

Sincerely yours,


Frank J. Campillo
Manager - LHFS

GUAM ASSOCIATION OF LIFE UNDERWRITERS

RECEIVED
7/31 2:12 AM

Post Office Box BN
Agana, Guam 96910

BOARD OF DIRECTORS

1991 - 1992

July 30, 1991

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477-8549

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Vice President
477-MONY

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William A. Dippel, CLU
Treasurer
646-4445

Senator Carl T.C. Gutierrez
Chairman, Committee on Ways & Means
Twenty-First Guam Legislature
P.O. Box CB-1
Agana, Guam 96910

RE: Bill No. 85

Dear Senator Gutierrez:

On behalf of the Guam Association of Life Underwriters, I would like to pledge our support for Bill No. 85.

For years our National Association of Life Underwriters has stood firm in our committment to "CONTINUING EDUCATION." Bill 85 is legislation that lays the foundation and substantiates the need for a professional industry, the insurance industry.

We can expect only positive results once the bill passes into law. As our economy becomes more and more sophisticated in computer technology, taxation, etc., insurance agents and companies would continue to update their knowledge of products and services, thus, giving the buying public assurance and confidence in doing business with us.

Finally, we would like to extend our services should you need additional information or support. We thank you for allowing us this opportunity to express our opinions and support.

Si Yuus Maase,

Benedicto C. Toves
BENEDICTO C. TOVES
President

cc: Board of Directors

DIRECTORS

David W. Cassidy, CLU, LUTCF
472-8835

Kit A. Gapas, Jr.
646-8119

Woodrow Henley, Jr.
477-8831

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653-0123

Harry Mathewson, LUTCF
477-5713/4

John S. Pillsbury
477-5713

Francisco B. Salas, LUTCF
477-5713



"We strive to uphold the NALU Code of Ethics"

Introduced

TWENTY-FIRST GUAM LEGISLATURE
1991 (FIRST) Regular Session

JAN 23

Bill No. 85(LS)

Introduced by:

A.R. Unpingco

M.C. RUTH

AN ACT TO ADD A NEW SECTION 43251A
TO THE GOVERNMENT CODE TO AUTHORIZE
THE INSURANCE COMMISSIONER TO IMPOSE
ADDITIONAL EDUCATION REQUIREMENTS.

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12 the Commissioner may prescribe by regulation adopted pursuant
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14 person's insurance skills or knowledge."