

# STATE NEWS WEEKLY SUMMARY CONTINUED

resentations by Prudential in its sales of life insurance products.

Prudential's packets are expected to arrive late this week and is the first step in a restitution process.

Crawford participated in a 43-state task force which investigated the alleged sales abuses by Prudential and came up with the restitution plan of its own.

The task force, Crawford said was important for two reasons. First, it created a restitution program which is now being merged with the federal class action to provide more substantial relief to injured policy holders. Secondly, if the federal class action falls short, the state-led remediation plan will still be in place due to the efforts of the task force.

It is believed that there were over 10.7 million policies affected by the suit nationwide.

If the class action lawsuit is approved, Prudential will pay a minimum of \$410 million, but that number could go significantly higher, Crawford said, depending on approval of the class action and on how many claims are filed and scored. Oklahoma's share of the total is not yet known.

In July, Crawford entered an order against Prudential requiring the company to pay a \$300,000 fine directly to Oklahoma.

—SHAWN ASHLEY  
11/06/96

## MILITARY & VETERANS

### KAW NATION SPONSORS VETERANS MEETING

■(OKLAHOMA CITY) The Kaw Nation will sponsor a Veterans Benefits Town Hall Meeting 9 a.m. to 4 p.m. Nov. 14, at the American Legion Post 14, 407 West South Avenue in Ponca City.

Representatives will be present to help all veterans with questions.

Updated information dealing with service and non-service connected compensation and pensions, service records, awards and medals, emergency assistance grants, veterans centers, medical benefits, death benefits and widow benefits will be discussed.

—OKLA. DEPT. OF VETERANS AFFAIRS  
11/07/96

*"When three people call you an ass,  
put on a bridle."*

*Spanish proverb*

## NATURAL RESOURCES

### INTERIM STUDY COVERS RURAL WATER ISSUES

■(GIT) Rep. Mike Mass, D-Hartshorne and chair of the House Appropriations and Budget Subcommittee on Natural Resources, met with members of interim study 96H-08 Wednesday to determine what steps need to be taken to provide water to the smallest towns covered by the water provisions in HB1434 for towns with less than 10,000 people.

The Oklahoma Rural Water Association currently provides training and assistance to rural water districts with appropriated funds from the Oklahoma Water Resources Board. However, Mass said constituents in his and other legislator's districts from the smallest towns have complained that they still do not have water systems or properly trained, full-time operators in place.

The Rural Economic Action Plan of 1996, HB1434, which was signed into law by the governor in May, states that towns with less than 10,000 people have priority in receiving assistance from the funds.

Gene Whatley, executive director of ORWA, said that "economic feasibility" prevents many of the smallest towns from forming water districts.

However, the OWRB does not have sufficient funds to provide for all the priority communities, said Duane A. Smith, assistant director of the OWRB.

Earlier this year, an audit was performed by the State Auditor and Inspector which produced questions concerning the use by the ORWA of appropriated funds received from the OWRB. The audit was released in September.

The OWRB has been appropriated \$139,500 each of the last two years to provide technical assistance and training to rural water districts in Oklahoma. The Legislature directed the OWRB to contract with the nonprofit ORWA to carry out these responsibilities. In turn, the ORWA created Water Systems Management, Inc., a for-profit subsidiary, for the expressed purpose of managing water systems and providing technical assistance to water systems.

In response to the findings of the State Auditor & Inspector's report, ORWA recalculated funds expended by it on training and technical assistance during the respective

contract periods audited by the State Auditor using the same formula it previously used with appropriate adjustments with the result that the ORWA expenditures for training and technical assistance greatly exceeded the contract amount of the OWRB contracts.

In response to the audit, OWRB has drafted a bid specification detailing the work needed to carry out the Small Community Technical assistance and Training Program. The program will seek to train individuals in rural water districts on the mechanics of operating and maintaining their water systems and will offer technical assistance in the engineering of water systems for small communities. Open solicitation for bids will follow.

The group plans to meet again to determine if the appropriation of more funds or the creation of new legislation will be needed to help the smaller communities get their water demands met.

*Materials handed out at the meeting, including the audit and bid specification, are available from Legislative Information Network. You may e-mail, fax or call in your request.*

—MICHELLE BOYD WATERS  
11/06/96

## PUBLIC SAFETY

### HIGHER LIABILITY COVERAGE FOR OKLAHOMA MOTORISTS?

■(GIT) Do Oklahoma motorists need higher liability insurance coverage?

That was the subject members of the Public Safety Committee discussed Thursday in Interim Study 96H-50, chaired by Rep. Shelby Satterfield, D-Tulsa, requested by Rep. Jack Bonny, D-Burns Flat. "This interim study was brought about because I had a car wreck," Bonny said. "The guy who ran into me had 10-20-10 insurance, which paid for my car. Then his insurance ran out and my medical bills were picked up by my insurance."

"A lot of people have told me the same thing, so I wanted to hear the pros and cons from everyone," Bonny said.

Representatives of the Oklahoma House of Representatives, State Insurance Department, the Department of Public Safety and four major insurance companies—Allstate Insurance, Farmers Insurance, Oklahoma Farm Bureau Mutual Insurance and State

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