

MINUTES
HOUSE BUSINESS COMMITTEE

DATE: Tuesday, February 07, 2017

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Barbieri, Vice Chairman Clow, Representatives Collins, Crane, Palmer, Thompson, Hixon, Monks, Anderst, Dixon, Troy, Stevenson, Armstrong, DeMordaunt, Manwaring, Smith, Kloc, Toone

**ABSENT/
EXCUSED:** None

GUESTS: Jim Burns, Patty Highley, ID Dept. of Finance; Shad Priest, Regence Blue Shield; Honalee Thomas, Tom Donovan, Dept. of Insurance; Trent Wright, Idaho Bankers Association; Woody Richards, Insurance CO's; Dennis Johnson, Jeff Neiemeyer, United Heritage; Scott Clahoun, REA Board; Neil Colwell, Avista Corp.; Jeremy Pisca, Newspaper Assoc. of Idaho

Chairman Barbieri called the meeting to order at 1:33 p.m.

MOTION: **Rep. Hixon** made a motion to approve the minutes of the January 31, 2017, meeting. **Motion carried by voice vote.**

RS 24842: **Jim Burns**, Idaho Department of Finance presented **RS 24842**. The proposed legislation makes a technical correction and gives the Director of the Idaho Department of Finance, in certain events, temporary authority to order endowment care funds be administered for the care and maintenance of an endowment care cemetery.

MOTION: **Rep. Thompson** made a motion to introduce **RS 24842**. **Motion carried by voice vote.**

DOCKET NO. 24-1801-1602: **Mitch Toryanski**, Idaho Bureau of Occupational Licenses, presented **Docket No. 24-1801-1602**. He stated in most residential real estate transactions, the lender has to get an independent appraisal of the property being sold. The Appraisal Management Company (AMC) is often the entity that provides this independence. The AMC will hire or contract with an appraiser who will do the appraisal for the lender. This docket defines AMC's, establishes the requirements for AMC registration and renewal, sets fees, reorganizes the trainee section, and establishes a separate section for trainee supervisors. The docket also removes redundant and archaic language regarding the qualifications of certified and licensed real estate appraisers.

MOTION: **Rep. Anderst** made a motion to recommend the full committee approve **Docket No. 24-1801-1602**. **Motion carried by voice vote.**

RS 24855: **Mitch Toryanski**, Idaho Bureau of Occupational Licenses, presented **RS 24855**. He stated AMC's that are registered and supervised by states are required to pay registry fees in each state to be on the AMC registry. The proposed legislation authorizes the Idaho Real Estate Appraiser Board to collect these fees.

MOTION: **Rep. Anderst** made a motion to introduce **RS 24855**. **Motion carried by voice vote.**

RS 24879: **Mitch Toryanski**, Idaho Bureau of Occupational Licenses, presented **RS 24879**. The proposed legislation establishes that the Idaho Board of Morticians may issue inactive mortician and funeral director licenses.

MOTION: Rep. Kloc made a motion to introduce **RS 24879. Motion carried by voice vote.**

RS 24898: **Mitch Toryanski**, Idaho Bureau of Occupational Licenses, presented **RS 24898**. This proposed legislation clarifies when the Idaho Driving Businesses Licensure Board accepts a driving business license application, the applicant must submit a certificate of occupancy with the application only if the business teaches from a physical classroom. The amendment also makes driving businesses responsible for ensuring its employees and persons under its control who provide driver education are at all times licensed.

MOTION: Rep. Clow made a motion to introduce **RS 24898. Motion carried by voice vote.**

RS 24904: **Mitch Toryanski**, Idaho Bureau of Occupational Licenses, presented **RS 24904**. The proposed legislation allows architects licensed in other states to qualify for a license by endorsement or a temporary permit if they can pass an examination approved by the Idaho Board of Architectural Examiners. This will allow the board to consider applicants for endorsement licensure who may have taken an examination for licensure other than the examination required by the state of Idaho.

MOTION: Rep. Manwaring made a motion to introduce **RS 24904. Motion carried by voice vote.**

H 100: **Dean Cameron**, Director, Idaho Department of Insurance, presented **H 100**. This legislation is called Own Risk Solvency Assessment or ORSA. Director Cameron stated it is necessary to pass the legislation this year to maintain accreditation. The legislation requires insurance companies to assess any risks they could face and report them annually to the Department of Insurance as part of their annual report. The report helps insurers identify, assess, monitor and manage relevant risks. The Own Risk Solvency Assessment is kept confidential to protect the risks reported by the company. Director Cameron added the purpose of accreditation is to protect consumers.

In answer to questions, **Tom Donovan**, Deputy Director, Idaho Department of Insurance, stated the purpose of **H 100** is to work with insurance companies to prevent insolvency. In the case of litigation the litigants would acquire information from the insurance carrier, not the Department of Insurance.

Jeremy Picsa, Newspaper Association of Idaho, spoke **in opposition** to the proposed legislation. He asked if the committee would consider holding the bill to give other groups time to formulate their concerns relating to confidentiality issues.

Dennis Johnson, CEO, United Heritage Holding Company, spoke **in support of H 100**. Mr. Johnson stated the bill is an important part of accreditation.

MOTION: Rep. Anderst made a motion to **HOLD H 100** for time certain, February 15, 2017.

Steve Thomas, Idaho Association of Health Plans, spoke **in support of H 100, H 101 and H 102**. He stressed the importance of accreditation.

Rep. Clow spoke in **support** of the bill.

SUBSTITUTE MOTION: Rep. Thompson made a substitute motion to send **H 100** to the floor with a **DO PASS** recommendation.

VOTE ON SUBSTITUTE MOTION: **Chairman Barbieri** called for a vote on the substitute motion to send **H 100** to the floor with a **DO PASS** recommendation. The Chairman was in doubt regarding the voice vote and asked for a show of hands. **By a show of hands, the motion carried. Rep. Manwaring** will sponsor the bill on the floor.

DOCKET NO. 07-1001-1601: Rep. Crane made a motion to reconsider **Docket No. 07-1001-1601**, a fee rule dealing with the Damage Prevention Board dig line. **The motion carried by voice vote.** The docket will be reconsidered at the regularly scheduled meeting of the committee, February 9, 2017.

H 101: **Dean Cameron**, Director, Idaho Department of Insurance, presented **H 101**, called Credit for Reinsurance. The director stated currently insurance companies purchase reinsurance to protect themselves. If they buy reinsurance from a non U.S. insurance company 100% collateral is required to be deposited in a U.S. institution. The purchase of reinsurance is a credit on the company's balance sheet. Reinsurers are evaluated based on their financial strength, claims payment history and qualified jurisdiction.

MOTION: **Rep. Anderst** made a motion to send **H 101** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Anderst** will sponsor the bill on the floor.

H 102: **Dean Cameron**, Director, Idaho Department of Insurance, presented **H 102**, called Corporate Governance. This bill requires insurance companies to disclose their corporate governance framework and structure. It further requires disclosure of their internal governing policies and procedures. The information is held confidentially and proprietary.

MOTION: **Rep. Hixon** made a motion to send **H 102** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Hixon** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 3:15 p.m.

Representative Barbieri
Chair

Joyce McKenzie
Secretary