

MINUTES
HOUSE BUSINESS COMMITTEE
BARBIERI SUBCOMMITTEE
Administrative Rules

DATE: Tuesday, January 15, 2013
TIME: 7:30 A.M.
PLACE: Room EW 32
MEMBERS: Chairman Barbieri, Representatives Morse, Gannon, Kauffman
**ABSENT/
EXCUSED:** None.
GUESTS: John Mackey, United Heritage Insurance; Ed Hawley, State of Idaho Administrative Rules

Chairman Barbieri called the meeting order at 7:34 A.M.

DOCKET NO. 10-0101-1201: **Mr. David Curtis, P.E.**, Executive Director, Idaho Board of Engineers and Land Surveyors, presented **Docket No. 10-0101-1201**. He said **H 374** of the 2012 Session restricts assignment to examination for initial licensing or certification of the Professional Engineers & Land Surveyors to Idaho residents with some exceptions. He reviewed the exceptions which include military personnel in Idaho, persons employed full-time in Idaho, and persons who live in border communities. He stated it also excepts students at Idaho universities. Mr. Curtis said this rule also allows as proof of residency: a driver's license, a utility bill with an Idaho address, a statement from a financial institution, voter registration in Idaho, or vehicle registration in Idaho. He said the rule also accepts as proof of full-time employment, a statement from the Idaho employer and it accepts a student ID card as proof of enrollment in an Idaho university.

DOCKET NO. 10-0104-1201: **Mr. Curtis**, Idaho Board of Engineers and Land Surveyors, presented **Docket No. 10-0104-1201**, noting that it has the support of professional engineering and surveying societies and associations in Idaho. He said the rule presented to the 2012 Legislative Session inadvertently exempted permanent non-residents of the United States from compliance with the Rules of Continuing Professional Development. This amendment to the rule eliminates that exemption by stating that it does not apply to permanent non-residents of the United States.

MOTION: **Rep. Morse** made a motion to recommend approval of **Docket Nos. 10-0101-1201** and **Docket No. 10-0104-1201** to the full committee. **Motion carried by voice vote.**

**DOCKET NOS. 18-0109-1201
18-0109-1202:** **Mr. Tom Donovan**, Idaho Department of Insurance, said both dockets are negotiated rules. Mr. Donovan stated that this rule has the support of insurance trade groups and NAIFA. The rule clarifies the meaning of the term "suitable recommendations" as it applies to an insurance agent or producer offering "suitable recommendations" to a consumer, based upon the consumer's age, financial expertise, risk tolerance and experience. Furthermore, the rule requires four Continuing Education Units for new producers which apply to this term with regard to industry ethics. He said current producers will be allowed a six month phase-in period in which to acquire the additional four Continuing Education Units.

MOTION: **Rep. Morse** made a motion to recommend approval of **Docket No. 18-0109-1201** and **Docket No. 18-0109-1202** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 18-0119-1202: **Mr. Donovan**, Idaho Department of Insurance, testified that this docket amends an existing rule. This amendment addresses the use of credit scoring in determining insurance rates for consumers. The amendment allows for a neutral credit factor in the credit scoring model along with other models. Mr. Donovan noted that some states have banned the practice of using credit scores to determine insurance rates. He cited actuarial data that supports credit scores as a predictor of potential loss. The amendment inserts the word "Idaho" on page 89 in the language which is based upon the Federal law.

MOTION: **Rep. Morse** made a motion to recommend approval of **Docket No. 18-0119-1202** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 18-0156-1201: **Mr. Donovan**, Idaho Department of Insurance, testified that Rule 56 limits title companies from offering rebates and/or inducements while it permits title companies to provide plat maps and copies of titles for a fee. He said this amendment further defines the term "Producers of Title" within the text of the rule.

In accordance with House Rule 38, **Rep. Morse** disclosed that he is a licensed real estate agent, a licensed real estate broker and a licensed real estate appraiser.

In accordance with House Rule 38, **Rep. Gannon** disclosed that he is a licensed attorney.

MOTION: **Rep. Kauffman** made a motion to recommend approval of **Docket No. 18-0156-1201** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 18-0144-1201: **Mr. Donovan**, Idaho Department of Insurance, testified that this rule allows for initial licensing and renewal of licenses for providers of insurance for portable electronic devices (Portable Electronics Insurance). He stated the fees are \$1,000 for the initial license and \$500 for renewal of each license. Mr. Donovan said there is a typo throughout the rule that has been corrected.

Mr. Ed Hawley, Idaho Administrative Rules Department, said the second issue of fee increase involves fingerprinting fees associated with licensing. He said the rule asks for an increase of the fingerprinting fee from a current \$60.00 to an amount not-to-exceed \$80.00. The fingerprint fee is a total of fees from a vendor, the Idaho State Police, and the Department of Insurance. The Idaho State Police has increased their component of the fees from \$10.00 to \$25.00, which is the primary reason for the increase in the total fingerprinting fee.

MOTION: **Rep. Morse** made a motion to recommend approval of **Docket No. 18-0144-1201** to the full committee with the correction of typographical errors. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the Subcommittee, the meeting was adjourned at 8:41 A.M.

Representative Barbieri
Chair

Catherine Costner
Secretary