

MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Monday, February 13, 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 (Tway), Toone

**ABSENT/  
EXCUSED:** Representative(s) Palmer, Stevenson

**GUESTS:** Kristen Atwood, PCI; Kent Day, Liberty Mutual; Angela Richards, American Family, Allstate, Farm Bureau Insurance

**Chairman Barbieri** called the meeting to order at 1:30 p.m.

**RS 25212:** **Bill Litster**, Idaho Public Policy Institute, presented **RS 25212**. The proposed legislation addresses an increase in the minimum amount of required automobile liability insurance. Mr. Litster stated minimum requirements have not been increased since 1983 while the cost of medical services has risen substantially.

**Reps. Crane** and **Monks** spoke in **opposition** to the proposed legislation. They were concerned about the appropriateness of the legislature raising rates for the insurance industry, and if insurance companies and rate payers had been included in discussions prior to drafting this legislation.

**MOTION:** **Rep. Thompson** made a motion to introduce **RS 25212**.

**SUBSTITUTE MOTION:** **Rep. Monks** made a substitute motion to return **RS 25212** to the sponsor.

**Rep. Clow** spoke in **support** of the original motion stating many people don't carry the minimum amount of insurance and he would like to hear insurance companies weigh in on the discussion.

**Rep. Crane** spoke in **support** of the substitute motion.

**Rep. Thompson** and **Rep. Hixon** spoke in **support** of the original motion.

**VOTE ON SUBSTITUTE MOTION:** **Chairman Barbieri** called for a vote on the substitute motion to return **RS 25212** to sponsor. **Motion failed by voice vote.**

**VOTE ON ORIGINAL MOTION:** **Chairman Barbieri** called for a vote on the original motion to introduce **RS 25212**. **Motion carried by voice vote.** **Reps. Crane, Monks, Anderst** and **Manwaring** requested to be recorded as voting **NAY**.

**RS 25209:** **Bill Litster**, Idaho Public Policy Institute, presented **RS 25209**. Mr. Litster stated Idaho drivers routinely purchase optional "backup" underinsurance to make sure their own insurance policy will cover any shortfall of unpaid medical expenses in the event the policy of a careless driver runs out in a significant automobile accident. Consumers expect their own backup insurance will pay in full until the amount they purchased is exhausted. The current practice of all insurance companies, except State Farm, is to insert an offsetting clause in the policy. This offset reduces the dollar amount paid out by the policy of the driver at fault. Injured drivers are surprised to find their own underinsurance can be slashed or eliminated entirely when they need it most.

**MOTION:** Rep. Hixon made a motion to introduce **RS 25209. Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee the meeting adjourned at 1:58 p.m.

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Representative Barbieri  
Chair

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Joyce McKenzie  
Secretary