

MINUTES
HOUSE BUSINESS COMMITTEE

DATE: Monday, March 01, 2021

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Dixon, Vice Chairman Furniss, Representatives Crane, Palmer, Barbieri, Armstrong, DeMordaunt, Clow, Andrus, Nichols, Adams, Bundy, Ferch, Galloway, Mitchell, Shepherd, Berch, Green

**ABSENT/
EXCUSED:** None

GUESTS: Jeff Neumeyer, United Heritage, Steve Thomas, Sarah Bettwiser, State Farm/Select Health, Tim Olson, AHIP, Jeremy Chou, Progressive, Ken Burgess, ID Building Contractor, Dean Cameron, Department of Insurance, Mike Kane,

Vice Chairman Furniss called the meeting to order at 1:31 p.m.

MOTION: **Rep. Berch** made a motion to approve the minutes of February 23, 2021. **Motion carried by voice vote.**

RS 28716: **Rep. Troy** presented **RS 28716**, proposed legislation regarding material liens. Rep. Troy stated certain documentation and notification of applying for a material lien would be required. She added that there is already a liens process in code and the prevailing party would have the right to an attorney.

In response to Committee questions, **Rep. Troy** provided clarification on how the proposed legislation would interact with current Idaho code.

MOTION: **Rep. Green** made a motion to introduce **RS 28716**. **Motion carried by voice vote.**

RS 28640: **Rep. DeMordaunt** presented **RS 28640**, proposed legislation regarding a sunset date for the legislative review of certain occupational license chapters in Idaho code. Rep. DeMordaunt stated the proposed legislation would create a sunset review date of July 1, 2022. She added she hoped the proposed legislation would lead to continual review processes in line with the Red Tape Reduction Act.

In response to Committee questions, **Rep. DeMordaunt** explained the definition of repealing in the language and that the specific chapters were chosen because she believed it was a good place to start the sunset review process.

MOTION: **Rep. Nichols** made a motion to introduce **RS 28640**.

Rep. Crane declared **Rule 80**, stating a possible conflict of interest but that he would be voting on the legislation.

In response to a Committee question, **Rep. DeMordaunt** stated the review process was not set and hoped approval of the proposed legislation would bring about additional review processes of other chapters and boards.

**VOTE ON
MOTION:** **Motion carried by voice vote.**

RS 28705: **Rep. Crane** presented **RS 28705**, proposed legislation regarding the creation of the Idaho Energy Conservation Code. Rep. Crane stated the purpose of the legislation is to remove energy codes from the Idaho Building Codes and create a separate energy code.

MOTION: **Rep. Palmer** made a motion to introduce **RS 28705**. **Motion carried by voice vote.**

Vice Chairman Furniss turned the gavel over to **Rep. DeMordaunt**.

H 147:

Rep. Furniss presented **H 147**, legislation regarding the creation of the Insurance Data Security Act. Rep. Furniss stated the purpose of the legislation is to create a security plan in case there is a system security breach. He added that he felt the development of a security plan at the state level was crucial.

Speaking **in support** was **Jeff Neumeyer**, United Heritage. Mr. Neumeyer gave additional information on the process and coordination involved to create the legislation. He also provided points made in opposition to the legislation.

Rep. DeMordaunt turned the gavel over to **Chairman Dixon**.

In response to Committee questions, **Mr. Neumeyer** provided clarification on the purpose of exempting small insurance companies and why creating a security act at state level was necessary. He also responded to other Committee questions, stating benefits of the legislation passing would be assistance and regulation from the Director of the Department of Insurance and the importance of a given plan to follow in case an insurance company's data is compromised.

Those also speaking **in support** were **Steve Thomas**, Hawley Troxell, **Tim Olsen**, AHIP, **Mike Kane**, APCIA, **Ron Williams**, Delta Dental, and **Director Cameron**. They were of the opinion the legislation was necessary to protect insurers and consumers.

In response to Committee questions, **Director Cameron** stated visibility in regards to the NAIC was not typical or the intention of the legislation, but to have reasonable standards for all participants involved. He also stated that passing this legislation would create uniformity and allow insurers to be in contact with other states who have dealt with a data breach.

Rep. Crane expressed apprehension to Director's ability to withhold information if there were a cybersecurity event and that without that provision, insurers would be held accountable in court. He also expressed concern that if the information were withheld, the press wouldn't have access to the information and shareholders wouldn't be notified.

In response, **Rep. Furniss** deferred to **Mr. Neumeyer**. Mr. Neumeyer stated the law suit and public record wouldn't be done through the Director and that they wrote this portion of the legislation to create balance. He stated he disagreed with **Rep. Crane's** comment about confidentiality, stating confidential documents and cybersecurity events shouldn't be broadly shared beyond the Director.

Rep. Clow spoke **in support** of the confidentiality authority of the Director and that the insurance company should have the ability to analyze risks of releasing the information to the public.

In response to Committee questions, **Director Cameron** stated they don't intend on sharing individual data of policyholders and would only release general information on the manner of the data breach to consumers.

MOTION:

Rep. Crane made a motion to **HOLD H 147** in Committee. **Motion carried by voice vote.**

ADJOURN:

There being no further business to come before the Committee, the meeting adjourned at 3:05 p.m.

Representative Furniss
Chair

Mackenzie Gibbs
Secretary