

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Patricia Barbieri-Lightner at 3:30 on March 20, 2003 in Room 527-S of the Capitol.

All members were present except: Excused: Representative Cindy Neighbor.

Committee staff present: Bill Wolff, Legislative Research
Ken Wilke, Revisor of Statutes
Renaë Hansen, Secretary

Conferees appearing before the committee: **Brad Smoot**, American Insurance Association
Dave Hanson, Lawyer, Glenn, Cornish, Hanson & Karns

Others attending: Twenty five total, some of whom signed the register.

It was decided to discuss **Sub SB144**, several conferees were present to expand on some of the topics that some of the members had questions. In addition, a representative of the Consumer Data Information Association will be here next Tuesday to discuss the Fair Credit Report Act.

Brad Smoot, American Insurance Association, (Attachment #1), addressed the question of whether credit scoring by its nature would have a disproportionate impact on lower income individuals. This report addressed one company and its consumers to track that idea. They found that lower income did not have an affect on their credit scores, and in fact in some cases people with lower income had better credit score than people with higher income or people in the middle. Additionally, during testimony it was suggested that more would benefit from using credit scoring. Dave Hanson is here today to discuss that issue. Third issue raised had to do with identity theft. Under federal law, if you believe that someone has stolen and used your credit, and that things on your credit report are in error, as a result of that if you protest that, it becomes a disputed data on your report, and under the bill you have in front of you that disputed data cannot be used by the insurance carrier in preparing an insurance score.

Questions were posed by: Representatives Nancy Kirk, Eber Phelps, Bob Grant, and Stephanie Sharp.

Dave Hanson, Lawyer, Glenn, Cornish, Hanson & Karns, (Attachment #2), discussed the issue of the anecdotal information on how many people are benefitting from credit based insurance scoring. Information was attached from Farmers Alliance. According to the data presented 56.7% of their customers could be positively impacted by the use of credit scoring, 31.9% would see no impact, and only 11.3% would face a potential higher rate.

Questions were posed by: Representatives Nile Dillmore, Patricia Barbieri-Lightner, Scott Schwab, Eber Phelps, Ray Cox, Mike Burgess, Nancy Kirk, and Bob Grant.

CONTINUATION SHEET

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Discussion was closed on **Sub SB144** for this meeting.

Representative Nile Dillmore moved to approve the minutes of February 11, 13, 18, 20, and 25, seconded by Representative Mario Goico, passed unanimously.

Meeting adjourned.

Next meeting scheduled for April 25, 2003.