

**MINUTES OF THE SENATE BUSINESS & LABOR
STANDING COMMITTEE
FRIDAY, FEBRUARY 6, 2004, 9:00 A.M.
ROOM 403, STATE CAPITOL BUILDING**

Members Present: Sen. Parley G. Hellewell, Chair
Sen. Curtis Bramble
Sen. Thomas V. Hatch
Sen. Ed Mayne
Sen. Carlene M. Walker
Sen. Michael Waddoups

Members Absent: Sen. Gene Davis
Sen. Dan Eastman

Staff Present: Mark Steinagel, Policy Analyst
Karen Allred, Committee Secretary

Public Speakers Present: Christopher Purcell, State Farm Insurance
Mike Sonntag, Bear River Insurance
Chris Sloan, Utah Association of Realtors
Gary Thorup, Property Casualty Insurance Association
Ross Marchant, Farmers Insurance

A list of visitors and a copy of handouts are filed with the committee minutes.

Committee Chair Hellewell called the meeting to order at 9:12 a.m.

MOTION: Sen. Walker moved to approve the minutes of February 3, 2003.

The motion passed unanimously with Sens. Mayne and Waddoups absent for the vote.

1. S.B. 52 Insurance Amendments - Loss Histories and Inquiries (T. Hatch)

Sen. Hatch explained the bill.

Chris Purcell, State Farm Insurance, and Mike Sonntag, Bear River Insurance, spoke in support of the bill.

The following amendments were distributed:

1. Page 2, Lines 33 through 34:

33 (a) a telephone call or other inquiry that does not result in the insured
[[~~demanding~~]] requesting the

34 payment of a claim; or

2. *Page 4, Line 120 through Page 5, Line 123:*

120 (c) Unless the conditions of Subsection (4)(b)(iii) or (iv) apply, an insurer may not
fail

121 to renew an insurance policy as a result of a telephone call or other inquiry that:

122 (i) references a policy coverage; and

123 (ii) does not result in the insured ~~[[demanding]]~~ requesting payment of a
claim ~~[being filed or paid]~~.

3. *Page 7, Lines 191 through 200:*

191 (ii) A numerical value, categorization, or classification described in Subsection
192 (1)(c)(i) is a score if it is developed to predict the likelihood of future insurance claims
193 regardless of whether it is developed to predict other factors in addition to predicting
~~[[the]]~~ future

194 insurance claims.

195 (2) (a) An insurer may not make an adverse eligibility or rate decision related to
196 personal lines insurance in whole or in part on the basis of:

197 (i) a report by a loss reporting agency of a loss if the loss did not result in the
insured

198 ~~[[demanding]]~~ requesting the payment of a claim;

199 (ii) a ~~[[report]]~~ telephone call or other inquiry by an insured of a loss if
the loss did not result in the insured ~~[[demanding]]~~ requesting

200 payment of a claim;

4. *Page 7, Line 212 through Page 8, Line 223:*

212 (3) (a) If an insurer uses a score that is derived from information obtained from a
loss

213 reporting agency or an insured, the insurer shall file with the department a ~~[[summary~~
~~of]]~~ certification that the

214 method used to derive the score ~~[[:~~

215 ~~—~~ (i) that is in sufficient detail so that the department can determine whether the
score

216 ~~complies with Subsection (2)(a)(iv); and~~ complies with the provisions of
Subsection (2)(a)(iv).

217 ~~[(b)]~~ (b) The insurer shall file a certification required under Subsection
(3)(a) within 30 days of the day on which the score described in Subsection
(3)(a) is first used by the insurer.

218 ~~[(b)]~~ (c) The department shall classify a ~~[[~~
summary]] certification filed under this Subsection (3) as a
219 protected record under Subsection 63-2-304(2) except that the insurer is not required to
file the
220 information specified in Section 63-2-308.

221 ~~[(c)]~~ (d) In accordance with Title 63, Chapter 46a, Utah Administrative
Rulemaking Act, the
222 commissioner shall make rules providing for the form and procedure of filing the
[[summary]] certification
223 required by Subsection (3)(a).

MOTION: Sen. Mayne moved to adopt the amendments.

The motion passed unanimously.

Chris Sloan, Utah Association of Realtors, and Gary Thorup, Property Casualty Insurance Association, spoke in support of the bill.

MOTION: Sen. Bramble moved to pass the bill out favorably.

The motion passed unanimously.

2. **S.B. 147 Condominium Amendments** *(M. Waddoups)*

Sen. Waddoups explained the bill.

Ross Marchant, Farmers Insurance, and Chris Purcell, State Farm Insurance, spoke in support of the bill.

MOTION: Sen. Walker moved to pass the bill out favorably.

The motion passed unanimously.

MOTION: Sen. Walker moved to adjourn.

The motion passed unanimously.

Chair Hellewell adjourned the meeting at 9:20 a.m.

Sen. Parley G. Hellewell, Chair