

MINUTES
HOUSE BUSINESS COMMITTEE

- DATE:** Tuesday, February 27, 2024
- TIME:** 1:30 PM or Upon Adjournment
- PLACE:** Room EW41
- MEMBERS:** Chairman Clow, Vice Chairman Crane(12), Representatives Crane(13), Palmer, Barbieri, Dixon(1), Andrus, Furniss, Mitchell, Cornilles, Ehlers, Lanting, Petzke, Redman, Berch, Green, Rubel
- ABSENT/
EXCUSED:** Reps. Crane (12), Crane (13)
- GUESTS:** The sign-in sheet will be retained in the committee secretary's office; following the end of session the sign-in sheet will be filed with the minutes in the Legislative Library.
- Chairman Clow** called the meeting to order at 2:58 p.m.
- MOTION:** **Rep. Ehlers** made a motion to approve the minutes of the January 31, 2024 meeting. **Motion carried by voice vote.**
- H 479:** **Rep. Petzke** explained he has decided to hold the legislation until next year.
- MOTION:** **Rep. Petzke** made a motion to **HOLD H 479** in committee. **Motion carried by voice vote.**
- H 503:** **Kathy Peterson** explained **H 503** proposes an amendment to Idaho Code chapter 18, title 41, concerning the notice of lapse or termination of individual life insurance. It aims to grant the policy owner and any designated third party the option, at no cost, to request that all lapsing life insurance policies receive a notice of lapse via certified United States mail with return receipt, ten days before the lapse takes effect. The responsibility for the certified mailing costs would fall on the insurance company whenever a policy lapses due to non-payment, termination, or the end of the term policy. Ms. Peterson shared her family's experience with a lapsed insurance policy.
- In response to committee questions, **Ms. Peterson** shared her parents and her parents' insurance company were designated to receive notices, but neither received a termination letter. Ms. Peterson also explained the legislation would allow the insured to make a request by phone to receive a certified letter notification.
- Chairman Clow** opened the legislation to public testimony.
- Testifying **in opposition** of **H 503**, **Mr. Neumayer**, United Heritage, explained first class mail notification has not been a problem for their policy holders. He shared the Department of Insurance has not indicated there is a problem. He explained their company's notification of lapse policy, which is beyond what they are required to do by law. Mr. Neumayer also shared concerns about the cost to send a certified letter. He explained the secondary designee lapse notification solution reduced unintended lapses in coverage.
- In response to committee questions, **Mr. Neumayer** explained the difference between **H 503**, and similar legislation in Utah, is the Utah legislation required insurance companies show proof of delivery. It does not specify what delivery method must be utilized. He shared how the process of sending certified letters impacts the insurer. He explained the cost in time and labor for sending certified mail.

Testifying **in opposition** of **H 503**, **Mike Brassey**, State Farm, explained the legislation is unnecessary and adds expense to insurers. The existing system works well and they have had few complaints.

In response to committee questions, **Mr. Brassey** shared he does not know how many lapses his company processes.

In closing, **Kathy Peterson** explained despite having a second designee receiving notices, her family did not receive notification her parent's policy was terminated. She stated the cost to send a certified letter is minimal compared to what families lose due to not receiving a life insurance settlement because of a lapse in coverage. Ms. Peterson shared this legislation allows people to choose their notification preference.

Reps. Furniss, Cornilles, and Redman declared a Rule 80 stating a possible conflict of interest.

Chairman Clow explained with lack of a motion, **H 503** will be held in committee.

H 590: **Rep. Price** explained the purpose of **H 589** is to change notification to mobile home community associations when the property owner intends to sell their property. **Rep. Price** shared this legislation clarifies language from **H 424**.

Chairman Clow opened the legislation to public testimony.

Testifying **in support** of **H 590**, **Victoria OBanion** explained the legislation gives residents the notification needed to be able to submit an offer for the land.

MOTION: **Rep. Rubel** made a motion to send **H 590** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Palmer** requested to be recorded as voting **NAY**. **Rep. Price** will sponsor the bill on the floor.

H 589: **Rep. Dixon (24)** explained **H 589**, which updates **H 157** from last year, clarifies a homeowner's association (HOA), or their agent, may not charge a fee for providing a property owner with their statement of assessment account. **Rep. Dixon (24)** also shared the legislation clarifies the types of fees that cannot be charged to ensure full disclosure on all fees needed to close on a property. **Rep. Dixon (24)** also explained which fees must be disclosed in the HOA's covenants, conditions, and restrictions. She noted the legislation was a collaborative effort with realtors and land title officers.

Chairman Clow opened the legislation to public testimony. No one indicated their desire to testify.

MOTION: **Rep. Redman** made a motion to send **H 589** to the floor with **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Dixon (24)** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:46 p.m.

Representative Clow
Chair

Michelle A Anderson
Secretary