

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Patricia Barbieri-Lightner at 3:30 on March 25, 2003 in Room 527-S of the Capitol.

All members were present.

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

Conferees appearing before the committee: **Ron Gaches**, Consumer Information Data Association  
**Mike Stewart**, Trans Union, Overland Park

Others attending: Eighteen total, including some who signed the attached register.

Presentation:

Ron Gaches, Consumer Information Data Association, introduced:  
Mike Stewart, Trans Union, Overland Park, to review the fundamentals of the Fair Credit Reporting Act, and Consumer Reports.(Attachment #1) He presented a very high level power point overview of the Fair Credit Reporting Act that's been in place since 1971, amended in 1997. Certain regulations that Credit Reporting agencies are under obligation to concerning consumers. The disclosure of the file is everything in that file, but not necessarily a score unless the consumer requests it. Negative things in a file can stay up to seven years, and positive information has no limitations on how long it can stay in the file. Other information presented to the committee can be obtained from the conferee, or in the Legislative Library.

Questions were posed by: Representatives Ray Cox, Cindy Neighbor, Mario Goico, Mike Burgess, Bonnie Sharp, Mary Kauffman, Patricia Barbieri-Lightner, Bob Grant, and Nile Dillmore.

The Committee moved on to work the bill.

**Sub SB144- Enacting the Kansas Insurance Score Act.**

Representative Mary Kaufman summarized to the committee that what we are doing in this bill is simply giving the Insurance Committee the authority to regulate or control the credit scoring.

Representative Mary Kaufman moved to pass Sub SB144 out of committee and to the house floor favorably, seconded by Representative Scott Schwab.

Representative Bob Grant moved to amend the bill (Attachment #2), seconded by Representative Nile

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE at 3:30 p.m. on March 25, 2003 in Room 527-S of the Capitol.

Dillmore.

The floor was opened for discussion. Representative Bob Grant stated that this amendment added some teeth in the bill allowing for some checks and balances back to the legislature from the Insurance Department. Jerry Wells, Insurance Department, was brought to the floor to comment. His opinion was that this amendment asked them to do things that they are not in the business of doing and that outside help would have to be brought in to gather the data and analyze it at a cost ranging from perhaps \$50,000-\$200,000.

Questions were posed to Mr. Wells by: Representatives Bonnie Sharp, Scott Schwab, Bob Grant, Nile Dillmore, Cindy Neighbor, Mario Goico, and Nancy Kirk.

Representative Ray Cox called the question on the amendment before the committee.

Amendment failed.

Representative Cindy Neighbor moved to amend section 9 line 29 to include the word "shall" instead of the word "may" adding "and shall report to the President and the minority leader of the Senate and the Speaker and the minority leader of the House of Representatives by January 26, 2005, on issues relating to the use of credit history in personal insurance underwriting and rating and the implementation of this act." seconded by Representative Patricia Barbieri-Lightner, amendment passes.

Representative Patricia Barbieri-Lightner moved to make, on page 2, line 27-28, "farm owner", one word to , "farmowner", seconded by Representative Nile Dillmore, amendment passes.

Representative Patricia Barbieri-Lightner called the question on the motion on the floor to pass out the bill favorably as amended.

Motion carried.

Meeting Adjourned.