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Val Costa Richardson
Operator's Signature

10/16/03
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1485

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Yolanda Rickford
Operator's Signature

10/16/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1485

House Industry, Business and Labor Committee

Conference Committee

Hearing Date February 3, 2003

Tape Number	Side A	Side B	Motor #
4	X		3390-5150

Committee Clerk Signature *Elizabeth B. Fein*

Minutes: **Chair Kelsner** Opened hearing on HB 1485

Rep. Gulleon: Supports with written testimony

Pat Ward (ND Domestic Insurance Companies): Opposed. Cumbersome for the insurance industry.

Rep. Kasper: What is the worst part of this bill? Ward replied that this is over broad. Many companies have joint marketing agreements, other products they sell through other members. As this bill stands without amendments, none of that will be allowed.

Rod St. Aubyn (BC/BS of ND): Opposed with written testimony. Offered amendment.

Opposes without the amendment.

John Michels (Farmers Insurance Group): Agrees with Pat Ward concerning the joint marketing agreements insurance companies have. They offer value-added products as well.

Rep. Kasper: What problem would you have to sign an opt-in form? Michels said they currently have an opt-out form. Kasper then asked if the policy holders would not understand if

Page 2
House Industry, Business and Labor Committee
Bill/Resolution Number 1485
Hearing Date February 3, 2003

they explained the situation. They would then know up front.. Michels said they already know up front to opt-out.

Mike Mullen (Assistant AG): Neutral with testimony

Rep. Keiser: What is the penalty for violating HIPAA? Mullen said that penalties can add up to \$25,000/yr. from both civil and criminal penalties. Each violation can be a separate amount.

Usually they just send a letter to get into compliance.

Chair Keiser: Closed hearing on 1485

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1485

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 2/12/03

Tape Number	Side A	Side B	Meter #
1		x	34.0-36.0

Committee Clerk Signature

Judith Hammer

Minutes: **Chairman Keiser** called for committee work on HB 1485.

Rep. Severson stated that HB 1477 was studied in the subcommittee. The language included in the two bills that were amended (HB 1179 & HB 1477) render this unnecessary.

Rep. Severson moved a Do Not Pass. **Rep. Klein** seconded the motion.

Results of the roll call vote were 12-2-0.

Rep. Tieman will carry this on the floor.

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Yolanda Richardson
Operator's Signature

10/6/03
Date

12
Date: 2/ /03
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1485

House INDUSTRY BUSINESS & LABOR Committee

Check here for Conference Committee

Legislative Council Amendment Number 30117.0205
.0300

Action Taken DNP

Motion Made By Sutton Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Boe	✓	
Vice-Chair Severson	✓		Ekstrom		✓
Dosch	✓		Thorpe		✓
Froseth	✓		Zaiser	✓	
Johnson	✓				
Kasper	✓				
Klein	✓				
Nottestad	✓				
Ruby	✓				
Tieman	✓				

Total (Yes) 12 No 2

Absent 0

Floor Assignment Tieman

If the vote is on an amendment, briefly indicate intent:

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Salvatore Riccardi 10/10/03
Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)
February 12, 2003 2:10 p.m.

Module No: HR-27-2435
Carrier: Tieman
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1485: Industry, Business and Labor Committee (Rep. Kelsner, Chairman)
recommends **DO NOT PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING).
HB 1485 was placed on the Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-27-2435

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Richard Salosta
Operator's Signature

10/16/03
Date

2003 TESTIMONY

HB 1485

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Yolanda Richardson
Operator's Signature

10/16/03
Date

HB 1485

Rep. Pam Gulleson

We all understand that the market for personal information is an expanding one. Interest in that information comes from credible sources, such as legitimate businesses and organizations, of course, from non-credible sources, such as theft rings and organized crime.

Accessing that personal information a lot easier than you might think. Hundreds of databases already exist that contain detailed information about your personal life, your buying habits and other lifestyle characteristics. This information is not always secretly hidden away or hard to find. Identity theft is a rapidly growing crime. In some areas it is the fastest growing crime. Recently (last two months) thieves broke into an information-processing center and stole thousands of our military personnel's financial records. Last month it was revealed that thousand upon thousands of records of Russian individuals were stolen. A huge identity theft ring was recently uncovered in New York. They had insiders getting credit information and they used that information to send credit cards to themselves. This also recently happened out of the Fargo service center.

Individuals should be able to protect their information. It is they that suffer the consequences and so control over their information should be in their hands. This bill allows individuals to make the decisions about if and how their information is shared.

I do recognize that we must share information in this modern age. An individual would be hard pressed to be successful and not participate

Jolanta Rickford
Operator's Signature

10/16/03
Date

in financial transactions. The purchase of insurance or securities requires release of information that is sensitive. This bill allows individuals who purchase insurance or securities to have control over the information they must provide to engage in our society. This bill allows them to say when and to whom information can be released. It applies the same "opt-in" standard that now applies to the financial institutions in this state. Because it applies the same "opt-in" standard to securities and insurance transactions, this bill levels the playing field among various entities that gather financial information. Thus, it serves to assure a level playing field for competition among the various entities that collect our financial information when we do business with them.

Non-public personal information- Information that a company gets from an individual's application, as well as information it collects as a result of transactions and claims submissions and other services. It also includes information that a company gets from credit reports and by tracking people who have used their internet site. It can include things like income, credit history and premium payment history. Phone numbers and addresses can fall under this category.

Opt-In- The general rule is that the protected information is not shared unless the person who is the subject of the information signs an authorization or consent that expressly permits the sharing of the protected information with a third party.

