

# Senate Executive Departments and Administration Committee

*Deb Chroniak 271-1403*

**HB 149**, prohibiting disclosure of certain information obtained by former employees of the insurance department.

**Hearing Date:** March 15, 2017

**Time Opened:** 9:30 a.m.

**Time Closed:** 9:37 a.m.

**Members of the Committee Present:** Senators Carson, Reagan and Gannon

**Members of the Committee Absent :** Senators Soucy and Woodburn

**Bill Analysis:** This bill requires that former employees of the insurance department shall not disclose confidential information gained during their employment or use such information for personal gain or benefit.

This bill is a request of the insurance department.

**Sponsors:**

Rep. Hunt

Sen. Bradley

---

**Who supports the bill:** Deputy Commissioner Alex Feldvebel, New Hampshire Insurance Department, Marty Mobley, New Hampshire Insurance Department

**Who opposes the bill:** No one

**Summary of testimony presented in support:**

**Senator Carson** introduced HB 149 for the prime sponsor, Representative Hunt.

**Alex Feldvebel, Deputy Commissioner (in support):**

- Legislation was requested by the Insurance Department.
- Resulted from a relatively new mechanism called Supervisory College, which mechanism has come into existence for monitoring the solvency of insurance companies that are part of an international holding company.
- In the last few years, the New Hampshire Insurance Department has participated in “supervisory colleges” for their domestic insurance companies which are part of the international holding companies.

The Supervisory College purpose is focused around the group solvency. All companies within the group have an impact on the solvency of each other, so the whole group needs to be looked at.

- Regulators come together to share information on a confidential basis due to the sensitive financial information about different companies within the group. Information needs to be shared with the assurance it will be kept confidential, thus, this legislation.
  - Supervisory Colleges use a mechanism so each separate regulator signs a Memorandum of Understanding (MOU). This MOU would say, "We agree the information shared at this meeting will be kept confidential and used purely for sovereign regulation.
  - In order to sign the MOU they must show they have the authority to comply with the MOU. New Hampshire has a statutory loophole for former employees or contractors which the Insurance Department has retained to review financial information.
  - The bill takes language from the state of Delaware who has been successful in getting into MOU. The language requires former employees and contractors for the Insurance Department with access to the sensitive financial information remain obligated after their employment to keep this information confidential.
  - The Insurance Department needs this language in order to more easily enter into the MOU in the future.
  - International Association of Insurance Supervisors has developed an MOU model. When you sign this MOU and become part of that, this gives you automatic ability to participate in various Supervisory Colleges. New Hampshire has not been able to qualify. This legislation is one of the missing pieces for qualification.
- Senator Reagan** asked if the employees within the Insurance Department signed non-disclosure agreements. Deputy Commissioner Feldvebel said their employees sign, but it is in relation to IT to make sure the Insurance Department's database is not breached.
- International jurisdictions are looking for something "in statute" which gives authority.
- Senator Reagan asked what RSA 275-E was. Deputy Commissioner Feldvebel stated the Whistleblowers' Protection Act and when this legislation was heard in the House, there was concern the confidentiality requirement did not hamper someone who wants to exercise their whistleblower rights. That was addressed in this legislation.

**Summary of testimony presented in opposition:** No one

**Future Action:** Ought to Pass

dac

Date Hearing Report completed: March 17, 2017

[file: HB 149-F report]