

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass the A-Engrossed Measure
Vote:	5 - 0 - 0
Yeas:	Bates, Kruse, Morrisette, Morse, Monnes Anderson
Nays:	0
Exc.:	0
Prepared By:	Rick Berkobien, Administrator
Meeting Dates:	2/16

WHAT THE MEASURE DOES: Permits electronic administration of small employer group or individual health insurance. Authorizes Director of Department of Consumer and Business Services to approve discounted rates for electronic administration of health insurance. Clarifies that electronic transactions are voluntary. Simplifies how carrier may file to offer an electronic transaction discount. Modifies language to maintain consistency throughout the bill. Defines electronic administrative transactions. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Simplicity and efficiency of electronic administration
- Benefits of being environmentally sustainable
- Savings to insurance purchasers
- Approval of Insurance Division

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Automated Clearing House (ACH) is an electronic network for financial transactions in the United States. ACH processes large volumes of credit and debit transactions in batches. ACH credit transfers can include direct deposit payroll and vendor payments. ACH direct debit includes consumer payments on insurance premiums, mortgage loans and other kinds of bills. Both the government and the commercial sectors use ACH payments. Businesses are also increasingly using ACH to collect from customer's online, rather than accepting credit or debit cards.

Rules and regulations governing the ACH network are established by NACHA (formerly the National Automated Clearing House Association) and the Federal Reserve.