

Amendment No. \_\_\_\_ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11 Representative(s) Melvin offered the following:

12

13 **Amendment**

14 On page 4, line 10 through page 5, line 13,  
15 remove from the bill: all of said lines

16

17 and insert in lieu thereof:

18 Section 2. The Legislature finds that it is a public  
19 necessity that certain association records be held  
20 confidential and exempt. More particularly, it is a public  
21 necessity that certain medical records of association  
22 employees and employee assistance program participation  
23 records be held confidential and exempt because such records  
24 contain personal, sensitive information regarding an  
25 employee's medical condition and regarding behavioral,  
26 emotional, or medical disorders, the disclosure of which would  
27 be harmful to the employee. Likewise it is a public necessity  
28 that appraisals, surveys, applications, and other information  
29 relating to a property holder's property, and certain policy  
30 holder and policy information including information relating  
31 to underlying coverage as well as underwriting files, be held

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1 confidential and exempt because such records and information  
2 contain proprietary confidential business information and  
3 disclosure of such records and information could be harmful to  
4 the policyholder. Additionally, it is a public necessity that  
5 matters reasonably encompassed in privileged attorney-client  
6 communications be held confidential and exempt because the  
7 release of such information could jeopardize ongoing or  
8 pending litigation or other business matters. It is a public  
9 necessity that open claims files records be held confidential  
10 and exempt because if such records were not confidential and  
11 exempt, claimants would have unfettered access to information  
12 held by the association which could be used as evidence and  
13 for purposes of negotiation, claim evaluation, and settlement  
14 considerations, which would result in higher awards and  
15 settlements paid out by the association and ultimately the  
16 consumer. Additionally, it is a public necessity that records  
17 held by an internal auditor while an audit is incomplete or  
18 while an investigation is pending be held confidential and  
19 exempt because otherwise inaccurate information would possibly  
20 be released or investigations jeopardized. It is also a public  
21 necessity that vendor responses to an association request for  
22 proposal to perform specialized professional services be held  
23 confidential and exempt because the disclosure of such  
24 responses, prior to the selection of the successful vendor,  
25 would reveal competitive information, interfere with the  
26 association's ability to administer the vendor selection  
27 process, and negatively affect the content and quality of the  
28 proposals that are submitted. Finally, it is a public  
29 necessity that all proprietary information and trade secrets  
30 furnished to the association as part of a response to a  
31 request for proposal, or under separate contract, be held

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1 confidential and exempt when such response or contract  
2 provides for confidentiality. If proprietary information and  
3 trade secrets were not held confidential and exempt, the type  
4 and quality of information the association receives in a  
5 response would be limited and inadequate for the association  
6 to make an informed decision that is in the public interest.  
7 Likewise, the association's ability to enter into necessary  
8 contracts, that require confidentiality, would be impaired if  
9 proprietary information and trade secrets related to those  
10 contracts are not held confidential and exempt from public  
11 disclosure.

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