

FINAL BILL REPORT

SHB 1149

C 33 L 99

Synopsis as Enacted

Brief Description: Adopting accounting standards under the insurance code.

Sponsors: By House Committee on Financial Institutions & Insurance (Originally sponsored by Representatives Sullivan, Kastama, Lantz, Gombosky, Rockefeller, Linville, Conway, Murray, H. Sommers and Wolfe).

House Committee on Financial Institutions & Insurance
Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background:

Insurance companies, health carriers, and fraternal benefit societies are regulated by statute and the Office of the Insurance Commissioner. An important regulatory responsibility of the commissioner is the solvency of insurance companies, health carriers, and fraternal benefit societies. Financial statements and underlying accounting standards provide information on the financial condition of insurance companies, health carriers, and others regulated by the Insurance Commissioner.

The National Association of Insurance Commissioners (NAIC) is an association of state insurance agencies that attempts to coordinate the regulation of insurance. Insurance is regulated by the states rather than the federal government. One approach the NAIC uses to coordinate state regulation of insurance is to develop model laws and standards. An accreditation program encourages states to adopt key proposals recommended by the NAIC.

Financial reports of insurance companies, health carriers, and others must be filed annually with the Insurance Commissioner and the NAIC, and generally must be consistent with financial reporting requirements of the NAIC.

Summary:

Financial reports filed by insurance companies, fraternal benefit societies, and health carriers must follow the accounting practices and procedures manuals adopted by the National Association of Insurance Commissioners except when contrary to Washington law.

Votes on Final Passage:

House 95 0
Senate 44 0

Effective: July 25, 1999