

HOUSE BILL REPORT

SB 6396

*As Passed House
March 6, 1992*

Title: An act relating to persons making contracts of insurance with unauthorized insurance providers.

Brief Description: Making certain unauthorized insurance brokers personally liable for contracts of insurance.

Sponsor(s): Senators von Reichbauer, Pelz, Erwin, Moore, Vognild and Conner.

Brief History:

Reported by House Committee on:
Financial Institutions & Insurance, February 25, 1992,
DP;
Passed House, March 6, 1992, 96-0.

**HOUSE COMMITTEE ON
FINANCIAL INSTITUTIONS & INSURANCE**

Majority Report: *Do pass.* Signed by 9 members:
Representatives Dellwo, Chair; Broback, Ranking Minority
Member; Mielke, Assistant Ranking Minority Member; Anderson;
Inslee; R. Johnson; Paris; Schmidt; and Winsley.

Staff: John Conniff (786-7119).

Background: Insurance companies must obtain a certificate of authority to transact business within the state. Insurance companies without such a certificate are unauthorized insurers. Under limited circumstances, an unauthorized insurance company may provide insurance for risks within the state. However, such insurance may only be procured or provided through a properly licensed surplus lines broker.

Summary of Bill: A person, other than a duly licensed surplus line broker acting in good faith under his or her license, who makes a contract of insurance on behalf of an unauthorized insurer is personally liable for the performance of the contract.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Witnesses: None.