

SENATE BILL REPORT

SB 5265

AS REPORTED BY COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE,
MARCH 6, 1991

Brief Description: Allowing examination fees to be based on cost and placed in the insurance commissioners regulatory account.

SPONSORS: Senators von Reichbauer, Pelz and Conner; by request of Insurance Commissioner.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass.

Signed by Senators von Reichbauer, Chairman; Johnson, Vice Chairman; McCaslin, Moore, Owen, Pelz, Rasmussen, Sellar, and Vognild.

Staff: Mark Hutson (786-7488)

Hearing Dates: February 14, 1991; March 6, 1991

BACKGROUND:

To receive a license, all insurance agents, brokers, solicitors or adjusters in the state of Washington must first take and pass an examination to determine his or her qualifications and competence.

Currently, the Office of Insurance Commissioner deals with an average of 600 examinees per month but no revenue is collected by the commissioner for examination fees.

All examinations are being contracted by one of only two remaining national full service contractors and examination fees are paid by examiners directly to the contractor.

The Insurance Commissioner's Office has expressed concern for the lack of competition in the full service market and the desire for additional flexibility in utilizing both examination development and examination administration contractors.

SUMMARY:

The Insurance Commissioner shall be authorized to collect examination fees sufficient to cover all examination development and administration costs.

Appropriation: none

Revenue: yes

Fiscal Note: available

TESTIMONY FOR:

Examination fees established by this bill would be sufficient to pay examination development and administration costs. Also, gives commissioners office the flexibility to hire independent firms for either development or administration of the examinations.

TESTIFIED AGAINST: None

TESTIFIED: Roger Polzin, Office of the Insurance Commissioner