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**SUBSTITUTE HOUSE BILL 2886**

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**State of Washington**

**52nd Legislature**

**1992 Regular Session**

**By** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Dellwo, Broback, Scott, R. Johnson, Paris, Jacobsen and Winsley)

Read first time 02/07/92.

1 AN ACT Relating to insurance fraud; adding a new section to chapter  
2 48.30 RCW; and providing an effective date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.30 RCW  
5 to read as follows:

6 (1) The insurance fraud advisory board is created, consisting of  
7 the insurance commissioner or the commissioner's designee, as ex  
8 officio member and eight members appointed by the insurance  
9 commissioner on the basis of their experience and knowledge in matters  
10 pertaining to insurance claims. In addition, three members  
11 representing the general public are to be appointed by the insurance  
12 commissioner to the board. The board shall include one person  
13 representing each of the following interests:

14 (a) Property and casualty insurers;

1 (b) Health care service contractors and health maintenance  
2 organizations;

3 (c) Life and disability insurers;

4 (d) Insurance agents and brokers;

5 (e) Health care providers;

6 (f) Public adjusters;

7 (g) County prosecutors; and

8 (h) Insurance claimants.

9 (2) The board shall assist the insurance commissioner in:

10 (a) Identifying and quantifying the nature and amount of insurance  
11 fraud in Washington;

12 (b) Developing a plan for a statistical and informational data base  
13 in the office of the insurance commissioner to assist in the  
14 prosecution of insurance fraud;

15 (c) Developing any legislation necessary to permit the  
16 establishment of the statistical and informational data base described  
17 in (b) of this subsection;

18 (d) Recommending appropriate criminal penalties for insurance fraud  
19 and developing any necessary legislation in that regard; and

20 (e) Reviewing the effectiveness of chapter 48.80 RCW and developing  
21 any legislation required to improve the effectiveness of that chapter.

22 (3) The board shall annually elect a chair and a vice-chair from  
23 its members. The board shall meet at least semiannually at such times  
24 as it may fix. A person appointed to the board shall not receive a  
25 salary or other compensation as a member of the board.

26 (4) A majority of the board constitutes a quorum for the  
27 transaction of business.

28 (5) The board shall keep public records of its proceedings.

29 (6) The board shall cease to exist on January 1, 1996.

1        NEW SECTION.    **Sec. 2.**        This act shall take effect January 1,  
2 1993.