

HOUSE BILL REPORT

SHB 1582

As Passed House
March 8, 1993

Title: An act relating to permitted transactions by insurance agent-brokers.

Brief Description: Permitting certain transactions by insurance agent-brokers.

Sponsors: By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Zellinsky, Mielke, R. Meyers, Dellwo, Campbell, Dorn, Dyer and Basich.)

Brief History:

Reported by House Committee on:
Financial Institutions & Insurance, February 22, 1993,
DPS;
Passed House, March 8, 1993, 97-0.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Zellinsky, Chair; Scott, Vice Chair; Mielke, Ranking Minority Member; Dyer, Assistant Ranking Minority Member; Anderson; Dellwo; Dorn; Grant; R. Johnson; Kessler; Kremen; Lemmon; R. Meyers; Reams; Schmidt; and Tate.

Staff: John Conniff (786-7119).

Background: Some agents and brokers hold dual agent/broker licenses. When such persons are placing business with an insurance company that has appointed the person as an agent, the person may only act in an agency capacity and may not act as broker to place business with the company. As a result, if the insurance company markets a particular insurance product that is authorized for sale by brokers only, the company's agents are unable to place the business even if the agents are also licensed brokers.

Summary of Bill: With the approval of the insurer, an agent of the insurer who also holds a broker's license may place business with the insurer on a brokerage basis if a full

disclosure of such circumstances are made to the insured or applicant for insurance.

Fiscal Note: Not requested.

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

Testimony For: Persons who hold a dual license as both an insurance agent and broker, should be able to act as a broker with an insurer who has also appointed the person as the insurer's agent.

Testimony Against: None.

Witnesses: Steve Wehrly, Western Association of Insurance Brokers (pro).