

# FINAL BILL REPORT

## SHB 1855

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Synopsis as Enacted

C 462 L 93

**Brief Description:** Enabling accreditation of the insurance commissioner.

By House Committee on Financial Institutions & Insurance  
(originally sponsored by Representatives Zellinsky, Kessler  
and R. Meyers; by request of Insurance Commissioner).

House Committee on Financial Institutions & Insurance  
House Committee on Appropriations  
Senate Committee on Labor & Commerce

**Background:** The National Association of Insurance Commissioners (NAIC) coordinates the insurance regulatory activities of the states. The NAIC has established model statutes and regulations for adoption by each state; in particular, the NAIC has created financial regulation standards for supervision of insurance companies. The NAIC will be conducting a review of each state's insurance statutes and regulations to determine whether states meet these financial regulation standards. If Washington meets the standards, the state will be accredited by the NAIC.

After January 1, 1994, states that have received NAIC accreditation will reject the financial solvency examinations of insurance companies conducted by non-accredited states. Insurance companies chartered in non-accredited states may be refused authority to sell insurance in accredited states or may be subject to re-examination by the accredited state.

**Summary:** The Washington Insurance Code is amended to conform to the NAIC's recommended financial regulation standards and recommended regulatory statutes. The amendments address insurance holding companies; insurance broker controlled property and casualty insurance companies; reinsurance intermediaries; managing general agents; insurance company examination procedures; insurer capital and surplus requirements; limitations upon individual insurance company exposure to individual risks; valuation of insurance company investments; receivership, liquidation and rehabilitation of insurance companies; insurance company liabilities and reserves; and regulation of risk retention and risk purchasing groups.

Dental benefits not included in the uniform benefits package designed by the Health Services Commission are exempt from the health care reform law.

**Votes on Final Passage:**

House	98	0	
Senate	44	0	(Senate amended)
House			(House refused to concur)

Conference Committee

Senate	40	3
House	98	0

**Effective:** July 25, 1993