

FINAL BILL REPORT

SHB 2570

C 131 L 94
Synopsis as Enacted

Brief Description: Changing insurance licensing requirements.

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

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

Background: Fraternal benefit societies are regulated by the Insurance Commissioner. A fraternal benefit society is a non-profit organization which provides benefits, including insurance, to its members. Currently, a fraternal benefit society's license expires annually each April 1.

The Insurance Commissioner licenses insurance agents, brokers, solicitors, and other persons engaged in the business of insurance. These licenses are for a period of time established by the commissioner; generally, they are valid until revoked. License fees are paid annually. Appointments of agents by insurance companies must be renewed annually. Surplus line brokers' licenses must be renewed annually.

Summary: The license of a fraternal benefit society continues in force unless revoked by the insurance commissioner; the license fee must be paid annually by July 1.

The license fees for agents, brokers, and others are paid every two years, rather than annually. Surplus line brokers' licenses are valid for a period of time established by the commissioner, rather than one year by statute.

Appointments of agents by insurance companies are valid for an unspecified period of time, rather than one year. The fee is paid on the renewal date established by the commissioner, rather than annually.

Some reporting requirements to the commissioner are removed or modified.

Votes on Final Passage:

House 96 0
Senate 44 3

Effective: June 9, 1994