

SENATE BILL REPORT

SHB 2570

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, FEBRUARY 22, 1994

Brief Description: Changing insurance licensing requirements.

SPONSORS: 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

Majority Report: Do pass.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Fraser, Pelz, Sutherland, Vognild and Wojahn.

Staff: Catherine Mele (786-7470)

Hearing Dates: February 22, 1994

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.

The commissioner conducts examinations for persons requesting agent, broker, or other licenses, and administers continuing education requirements.

SUMMARY:

The license of a fraternal benefit society continues in force until revoked by the Insurance Commissioner. The license fee must be paid annually by July 1.

The license fees for agents, brokers, and others must be paid every two years, rather than annually. The fee for an examination related to obtaining a license is increased from \$10 to \$20. 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.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR: None

TESTIMONY AGAINST: None

TESTIFIED: No one