

SENATE BILL REPORT

SB 6377

AS PASSED SENATE, FEBRUARY 15, 1994

Brief Description: Compensating insurance brokers.

SPONSORS: Senator Moore

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Amondson, Deccio, Fraser, McAuliffe, Newhouse, Pelz, Prince, Sellar, Sutherland, Vognild and Wojahn.

Staff: Blaine Gibson (786-7375)

Hearing Dates: February 1, 1994; February 2, 1994

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

BACKGROUND:

Present law does not state that an insurance agent licensed as a broker can receive both commissions from the insurer and fees paid by the insured.

SUMMARY:

Insurance agents licensed as brokers may receive commissions paid by the insurer, fees paid by the insured, or a combination of the two.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR:

This legislation is needed to make clear that common practice in the brokerage industry is permitted under law.

TESTIMONY AGAINST: None

TESTIFIED: Steve Wehrly, Jesse Gary, Western Association of Insurance Brokers (pro)

HOUSE AMENDMENT(S):

Application of the bill is limited to property and casualty insurance. The fees may be charged unless the agreement provides to the contrary. Proper disclosures must be made.

