

2 SHB 1938 - S COMM AMD

3 By Committee on Labor, Commerce & Trade

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5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** A new section is added to chapter 51.14 RCW
8 to read as follows:

9 Any affiliated legal entity, including a subsidiary company or a
10 holding company, of a reinsurer authorized to reinsure a self-insurer's
11 liabilities under this title shall be allowed to participate in the
12 administration of the responsibilities of a self-insurer if the entity
13 is not involved in providing reinsurance.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 51.14 RCW
15 to read as follows:

16 (1) The department shall establish rules regarding the relationship
17 between a reinsurance company authorized to reinsure a self-insurer's
18 liabilities under this title and any legal entity affiliated with that
19 reinsurance company administering any of the responsibilities of the
20 same self-insurer served by that reinsurance company. The rules shall
21 require at a minimum that the self-insurer, reinsurer, and
22 administrator release to the department such records and financial
23 statements as the department may request regarding the administration
24 of claims under this title, any reinsurance policies issued, and the
25 nature of the relationship between the reinsurer and the administrator.

26 (2) The department shall conduct a study of self-insurer's
27 adjudication outcomes, claims management practices, and other
28 appropriate outcomes and practices. The study shall compare outcomes
29 and practices of self-insurers who use the services of reinsurers and
30 administrators that are affiliated to those of self-insurers who use
31 the services of unaffiliated reinsurers and administrators as well as
32 to the outcomes and practices of the department. The department shall
33 report the results of the study to the legislature by January 1, 1999.

1 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act shall expire
2 July 1, 1999."

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6 On page 1, line 1 of the title, after "self-insurers;" strike the
7 remainder of the title and insert "adding new sections to chapter 51.14
8 RCW; and providing an expiration date."

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