

# HOUSE BILL REPORT

## ESB 6039

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**As Reported By House Committee On:**  
Financial Institutions & Insurance

**Title:** An act relating to any fine or regulatory assessment imposed in an enforcement action under the insurance code.

**Brief Description:** Imposing fines or regulatory assessments under the insurance code.

**Sponsors:** Senator West.

**Brief History:**

**Committee Activity:**

Financial Institutions & Insurance: 3/31/97, 4/3/97 [DPA].

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### HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

**Majority Report:** Do pass as amended. Signed by 6 members: Representatives L. Thomas, Chairman; Smith, Vice Chairman; Zellinsky, Vice Chairman; Benson; DeBolt and Wensman.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Wolfe, Ranking Minority Member; Constantine; Keiser and Sullivan.

**Staff:** Charlie Gavigan (786-7340).

**Background:** Under current law, the Insurance Commissioner is authorized to enforce statutory and regulatory requirements by revoking or suspending an insurer's certificate of authority or by levying fines. The fines may not be less than \$250 and not more than \$10,000. Through a settlement agreement or consent order, an insurer may agree to other remedies that may exceed \$10,000.

If a civil action is necessitated to recover a fine, the action is brought by the Attorney General. Fines collected by the Insurance Commissioner are deposited in the state general fund.

**Summary of Amended Bill:** Any fine or other regulatory assessment imposed in an enforcement action by the insurance commissioner must be collected by the Department of Revenue on behalf of the state and paid into the state general fund.

**Amended Bill Compared to Engrossed Bill:** Technical corrections are made.

**Appropriation:** None.

**Fiscal Note:** Requested on March 31, 1997.

**Effective Date of Amended Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** None.

**Testimony Against:** This bill is not necessary and creates additional regulatory burdens by requiring multiple steps instead of one-stop processing for fines.

**Testified:** Jim Odiorne, Office of the Insurance Commissioner (opposes).