

# FINAL BILL REPORT

## HB 1002

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Synopsis as Enacted

**Brief Description:** Clarifying submission of insurance antifraud plans.

**Sponsors:** Representatives L. Thomas, Dyer and Mielke.

**House Committee on Financial Institutions & Insurance**

**Senate Committee on Financial Institutions, Insurance & Housing**

**Background:** In 1995, the Legislature passed legislation to combat insurance fraud in Washington State. The legislation requires every direct insurer licensed in Washington to prepare and maintain an insurance antifraud plan. A direct insurer sells directly to consumers. Most of the insurance companies in the state are direct insurers.

The antifraud plan must establish procedures to reduce insurance fraud. The procedures must address preventing fraud by employees or agents of the company, preventing fraudulent applications, and preventing claims fraud. Direct insurers must also establish procedures to report insurance fraud to law enforcement officials, to undertake civil action when appropriate, and to train employees and agents in detecting and preventing insurance fraud.

**Summary:** Title insurance companies, life insurance companies, health carriers (health insurers, health maintenance organizations, and health care service contractors), and some medical malpractice insurers are not required to prepare or maintain insurance antifraud plans. Most credit-related insurance is not subject to antifraud plan requirements.

**Votes on Final Passage:**

House 97 0

Senate 42 0

**Effective:** July 27, 1997