

HOUSE BILL ANALYSIS

HB 2554

Title: An act relating to insurance fraud.

Brief Description: Prohibiting offers of incentives to insurance claimants to reimburse claimants for costs of service.

Sponsors: Representatives Zellinsky, L. Thomas, Sullivan and Carrell.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Meeting Date: January 26, 1998

Bill Analysis Prepared by: Jim Morishima (786-7191)

Background: Insurance fraud is governed by state law. It is unlawful for a person who provides services (health care services, motor vehicle repair, and preparing, processing, presenting, or negotiating an insurance claim) to engage in the regular practice of waiving, rebating, giving, paying, or offering to waive, rebate, give, or pay all or part of a claimant's deductible.

Summary of Bill: The class of prohibited acts is broadened. It is unlawful for a person who provides services to offer a claimant a monetary, material, or nonmaterial incentive, regardless of actual monetary value. The person providing services need not engage in the regular practice of offering incentives to violate the act.

Violations of these provisions are also violations of the Washington consumer protection statute.

Appropriation: None

Fiscal Note: None requested.

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

Rulemaking Authority: Not addressed.