

# SENATE BILL REPORT

## 2SHB 1065

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As Reported By Senate Committee On:  
Financial Institutions, Insurance & Housing, February 19, 1998

**Title:** An act relating to the filing of corporate documents by insurance companies, health care service contractors, and health maintenance organizations.

**Brief Description:** Filing certain insurance related corporate documents.

**Sponsors:** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives L. Thomas, Wolfe and Mason; by request of Insurance Commissioner).

**Brief History:**

**Committee Activity:** Financial Institutions, Insurance & Housing: 2/18/98, 2/19/98 [DP].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

**Majority Report:** Do pass.

Signed by Senators Winsley, Chair; Benton, Vice Chair; Finkbeiner, Heavey and Kline.

**Staff:** Stan Pynch (786-7401)

**Background:** Currently, anyone organizing an insurance company to be incorporated in the state of Washington must file corporate documents with both the Office of the Secretary of State and the Office of the Insurance Commissioner. These documents include the articles of incorporation and any amendments to the articles. As with other corporations, the Secretary of State checks for duplication of the proposed name with existing corporations or any similarity of names that might be confusing to the public. The Insurance Commissioner also checks proposed names for duplication or possible confusion.

These filing requirements also apply to health care service contractors and health maintenance organizations.

**Summary of Bill:** The requirement that corporate documents be filed in both the Office of the Insurance Commissioner and the Office of the Secretary of State by insurance companies is changed to require processing through the Insurance Commissioner only. The Insurance Commissioner and the Secretary of State are required to cooperate in registering or reserving new corporate names to avoid duplication with existing corporate names. The Insurance Commissioner must notify the Secretary of State immediately upon receiving a filing regarding a corporate name or taking action which affects a corporate name.

For health care service contractors and health maintenance organizations (HMOs), corporate documents still are filed with the Secretary of State, who then forwards copies to the Insurance Commissioner.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** This bill passed both the House and Senate last year but the session ended prior to agreement on a final version. Minor changes were made this year and the bill has unanimous support in the House. The bill is a housekeeping measure to eliminate needless duplication. The bill makes filing procedures more efficient with less chance for error. There is no opposition.

**Testimony Against:** None.

**Testified:** John Woodall, OIC (pro); Mel Sorensen, Washington Physicians Service, National Association of Independent Insurers (pro); Basil Badley, ALLI, AIA, UIAA, TIARCREF (pro); Rick Wickman, Blue Cross (pro).