

# SENATE BILL REPORT

## HB 2554

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As of February 23, 1998

**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.

**Brief History:**

**Committee Activity:** Financial Institutions, Insurance & Housing: 2/24/98.

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

**Staff:** David Cheal (786-7576)

**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:** 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 this act are also violations of the Washington consumer protection statute.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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