

# SENATE BILL REPORT

## SB 6506

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As Reported By Senate Committee On:  
Financial Institutions, Insurance & Housing, February 4, 1998

**Title:** An act relating to tax deferred annuities for school employees.

**Brief Description:** Changing provisions for tax deferral annuities for school employees.

**Sponsors:** Senators Bauer and Winsley.

**Brief History:**

**Committee Activity:** Financial Institutions, Insurance & Housing: 2/3/98, 2/4/98 [DP, DNP].

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

**Majority Report:** Do pass.

Signed by Senators Winsley, Chair; Heavey, Kline and Prentice.

**Minority Report:** Do not pass.

Signed by Senators Benton and Hale.

**Staff:** Joanne Conrad (786-7472)

**Background:** Tax deferred annuities are an insurance product, currently regulated by the state. School employees may arrange to purchase tax deferred annuities, and may choose any company authorized to do business in the state, through a Washington licensed insurance agent. The employees have the right to select the annuity of their choice, and the agent, broker or company licensed by Washington State through which the annuity is purchased. Only agents, brokers and licensed companies are permitted to solicit employees for the purpose of selling tax deferred annuities.

**Summary of Bill:** School employees may arrange to purchase tax deferred annuities through agents who are not licensed as Washington State insurance agents. They have the right to select annuities from agents, brokers and companies, regardless of whether they are licensed to do business in Washington State, and those nonlicensed agents, brokers and companies can solicit school employees' annuity business.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** These changes are needed to allow school employees to buy annuities from credit unions.

**Testimony Against:** None.

**Testified:** Senator Bauer, prime sponsor.