

3052

Sponsor(s): Representatives L. Thomas, Smith, Mielke, Grant, DeBolt, Dyer, Hickel, Sullivan and Robertson

Brief Title: Authorizing self-audits by insurers.

HB 3052 - DIGEST

(DIGEST AS PASSED LEGISLATURE)

Encourages insurers both to conduct voluntary internal audits of their compliance programs and management systems and to assess and improve compliance with state and federal statutes, rules, and orders.

Recognizes an insurance compliance self-evaluative privilege to protect the confidentiality of communications relating to voluntary internal compliance audits.

Finds and declares that protection of insurance consumers is enhanced by insurers' voluntary compliance with this state's insurance and other laws and that the public will benefit from incentives to identify and remedy insurance and other compliance issues.

Directs the house financial institutions and insurance committee and the senate financial institutions, insurance and housing committee to jointly study insurance compliance self-evaluative audits and make recommendations on whether a limited privilege should be authorized in Washington state to encourage such audits.

VETO MESSAGE ON HB 3052

April 2, 1998

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval, House Bill No. 3052 entitled:

"AN ACT Relating to self-audits by insurers;"

As originally introduced, HB 3052 would have created certain privileges and protections for self-audits performed by insurance companies, in court and in regulatory proceedings. This bill as it passed the Legislature, however, directs the relevant committees of the House of Representatives and Senate to study this issue and make recommendations for consideration in the 1999 legislative session.

HB 3052 is unnecessary because it concerns only the internal operations of the Legislature, which do not need the authority of this bill to be conducted. If the Legislature chooses to study this issue, it can do so. In the interests of statutory economy, and out of respect for the separate branches of government, I have vetoed HB 3052.

For these reasons, I have vetoed House Bill No. 3052 in its entirety.

Respectfully submitted,
Gary Locke
Governor