

6039

Sponsor(s): Senator West

Brief Title: Imposing fines or regulatory assessments under the insurance code.

SB 6039.E - DIGEST

(DIGEST AS PASSED LEGISLATURE)

Revises RCW 48.05.185 relating to any fine or regulatory assessment imposed in an enforcement action under the insurance code.

Provides that any fine or other regulatory assessment imposed in an enforcement action under the Insurance Code must be collected by the Department of Revenue on behalf of the state and paid into the state general fund.

VETO MESSAGE ON SB 6039

May 20, 1997

To the Honorable President and Members,
The Senate of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval, Engrossed Senate Bill No. 6039 entitled:

"AN ACT Relating to any fine or regulatory assessment imposed in an enforcement action under the insurance code;"

Engrossed Senate Bill No. 6039 provides that any fine or regulatory assessment imposed in an enforcement action under the insurance code must be collected by the Department of Revenue on behalf of the state.

This legislation is the product of a controversy that arose when the Insurance Commissioner levied a fine against an insurance carrier. Later the Commissioner suspended part of the fine, if the carrier agreed to pay costs for activities related to the settlement and for enhanced regulatory activities. The reimbursements were to go into the Commissioner's Regulatory Account. The legislature questioned whether the Commissioner was authorized to act in this manner.

I believe that by passing this bill, the legislature sent a message to the Insurance Commissioner about how fines or assessments should be handled. I believe the Insurance Commissioner got that message. I would much prefer that the legislature look at all fines and other such assessments throughout state government and enact a uniform system rather than pass legislation concerning one elected official only.

For these reasons, I have vetoed Engrossed Senate Bill No. 6039 in its entirety.

I am hereby returning, without my approval, Engrossed Senate Bill No. 6039.

Respectfully submitted,
Gary Locke

Governor