
HOUSE BILL 1262

State of Washington

56th Legislature

1999 Regular Session

By Representatives Keiser, Benson, McIntire, Hatfield, Ruderman, Bush, Linville, D. Schmidt and Reardon

Read first time 01/20/1999. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to the year 2000 computer problem; creating new
2 sections; and providing expiration dates.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that financial
5 institutions play a major role in the economy of this state and in the
6 financial security and well-being of citizens of this state. A
7 significant disruption to financial services could adversely affect the
8 economy and the citizens of this state. The legislature intends to
9 reduce potential adverse impacts on the public and on financial
10 institutions regulated by the department from the year 2000 computer
11 problem by providing technical assistance and increased regulatory
12 oversight regarding this potential problem.

13 (2) To the extent funds are available, the department of financial
14 institutions shall provide technical assistance to financial
15 institutions under their jurisdiction in addressing the year 2000
16 computer problem. Technical assistance can include, but is not limited
17 to, assistance or models defining the extent of the problem and
18 managing projects to address the problem, testing regimes, a list of
19 vendors that other institutions are using, and business continuity

1 planning. The department shall consult with federal regulators who are
2 addressing this problem for federal financial institutions.

3 (3) In conducting examinations, the department of financial
4 institutions shall include an examination of whether the institution
5 has a year 2000 computer problem and the institutions' efforts to
6 address any problems in this area. The department may advise the
7 institution of technical assistance available under subsection (1) of
8 this section, and may take other regulatory action the department deems
9 necessary to preserve the safety and soundness of the institution or
10 protect the public.

11 (4) The director of the department of financial institutions shall
12 report to the governor and chairs of the legislative committees dealing
13 with financial institutions' issues by July 1, 1999, and October 1,
14 1999, regarding the potential year 2000 computer problem faced by the
15 state's financial institutions and the implementation of this section.

16 (5) This section expires February 1, 2000.

17 NEW SECTION. **Sec. 2.** (1) The legislature finds that insurance
18 plays a major role in the economy of this state and in the financial
19 security and well-being of citizens of this state. A significant
20 disruption to insurance services could adversely affect the economy and
21 the citizens of this state. The legislature intends to reduce
22 potential adverse impacts on insurance companies and policyholders from
23 the year 2000 computer problem by providing technical assistance and
24 increased regulatory oversight regarding this potential problem.

25 (2) To the extent funds are available, the insurance commissioner
26 shall provide technical assistance to insurance companies and health
27 carriers in addressing the year 2000 computer problem. Technical
28 assistance can include, but is not limited to, assistance or models
29 defining the extent of the problem and managing projects to address the
30 problem, testing regimes, a list of vendors that other institutions are
31 using, and business continuity planning. The commissioner shall
32 consult with other state and federal regulators who also are addressing
33 this problem.

34 (3) In conducting examinations, the commissioner shall include an
35 examination of whether the insurer or carrier has a year 2000 computer
36 problem and the insurers' or carriers' efforts to address any problems
37 in this area. The commissioner may advise the insurer or carrier of
38 technical assistance available under subsection (1) of this section,

1 and may take other regulatory action the commissioner deems necessary
2 to preserve the solvency of the insurer or carrier or to protect the
3 public.

4 (4) The commissioner shall report to the governor and chairs of the
5 legislative committees dealing with insurance issues by July 1, 1999,
6 and October 1, 1999, regarding the potential year 2000 computer problem
7 faced by the state's insurers and carriers and the implementation of
8 this section.

9 (5) This section expires February 1, 2000.

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