

HOUSE BILL REPORT

ESSB 6326

As Reported by House Committee On:
Financial Institutions & Insurance

Title: An act relating to filing reports with the insurance commissioner.

Brief Description: Filing reports with the insurance commissioner.

Sponsors: Senate Committee on Labor, Commerce & Financial Institutions (originally sponsored by Senators Prentice and Winsley).

Brief History:

Committee Activity:

Financial Institutions & Insurance: 2/22/02 [DP].

Brief Summary of Engrossed Substitute Bill

- An insurer is exempt from the statutory annual reporting requirement if it has neither data nor experience to report with respect to the covered categories of property and casualty insurance.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass. Signed by 11 members: Representatives Cooper, Chair; McIntire, Vice Chair; Benson, Ranking Minority Member; Barlean, Cairnes, Hatfield, Mielke, Miloscia, Roach, Santos and Simpson.

Staff: Thamas Osborn (786-7129).

Background:

Under current law, an insurer must file an annual report with the state Insurance Commissioner (commissioner) stating its loss and expense experience as well as other specified data pertaining to various types of property and casualty insurance, including:

- medical malpractice;
- products liability;
- attorneys' malpractice;
- architects' and engineers' malpractice;

- municipal liability; and
- daycare center liability.

The annual report must contain specific types of data relating to each category of insurance, including:

- premiums written and earned;
- net investment income;
- incurred claims;
- reserves for claims and losses;
- net underwriting gain or loss;
- net operation gain or loss; and
- actual incurred expenses, etc.

The annual report must be filed with the commissioner not later than May 1 of each year. An insurer's failure to timely file the report can result in a fine of up to \$2,000.

The commissioner is authorized to adopt the rules necessary to implement the reporting requirement.

Summary of Engrossed Substitute Bill:

An insurer is not subject to the annual reporting requirement if it has no experience or data to report.

Appropriation: None.

Fiscal Note: Not Requested.

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

Testimony For: Under current law, a company can be penalized for failing to file the requisite annual report, even though the company has absolutely no data to report. It makes no sense to force a company to file a blank report regarding types of insurance that the company does not offer. The commissioner supports the bill and, if he had the necessary authority, would have created the exemption by rule. The bill promotes governmental efficiency by eliminating unnecessary paperwork.

Testimony Against: None.

Testified: Gary Gardner, American Share Insurance; and Carrie Tellefson, Office of the Insurance Commissioner.

