

FINAL BILL REPORT

HB 1547

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Synopsis as Enacted

Brief Description: Licensing insurance agents, brokers, solicitors, and adjusters.

Sponsors: By Representatives Simpson, Bush, Benson, Hatfield, Santos and Keiser; by request of Insurance Commissioner.

House Committee on Financial Institutions & Insurance

Senate Committee on Labor, Commerce & Financial Institutions

Background:

The Insurance Commissioner is granted broad power to regulate the licensing of insurance agents, brokers, solicitors, and adjusters. The commissioner has considerable discretionary authority to issue rules, regulate the application process, and to otherwise determine whether an applicant meets the legal requirements for a license.

The commissioner may suspend, revoke, or refuse to issue or renew a license if the applicant or licensee has been found to be unfit due to incompetence or specific types of misconduct, including criminal behavior, fraud, misrepresentation, and unfair business practices.

Summary:

A nonresident seeking a license as an insurance agent, broker, solicitor, or adjuster may apply to the Insurance Commissioner using any form that has been approved by the commissioner pursuant to administrative rule. Additional application information must be provided as required by statute or rule, whether or not such information is required by the form.

The licensing reciprocity provisions of the insurance code are clarified with respect to issuing licenses to nonresident insurance agents and brokers. To be issued an insurance license in Washington, a nonresident applicant must have a valid license from another state that reciprocally honors corresponding licenses issued in Washington. In addition, the nonresident applicant must not have a history of incompetence, professional misconduct, or criminal behavior of the types specifically identified by statute.

With respect to the recognition of insurance licenses issued by other states, the definition of state— is expanded to include the District of Columbia, Canadian provinces, and various other territories.

Votes on Final Passage:

House 98 0

Senate 48 0

Effective: July 22, 2001