

***Financial Institutions &
Insurance Committee***

HB 1729

Brief Description: *Licensing surplus line brokers.*

Sponsors: *Representatives Benson, Hatfield, McIntire, Cairnes, Roach, Simpson and Keiser.*

Brief Summary of Bill

- *A nonresident may be licensed by the Insurance Commissioner as a "surplus lines" broker.*

Hearing Date: *2/16/01*

Staff: *Thamas Osborn (786-7129).*

Background:

A "surplus lines" insurer is an insurance company that does not have a certificate of authority issued by the Insurance Commissioner to transact business in the state, and may only operate under certain rules, specified by statute. The insurance offered by such a broker must be of a type that is not available from other authorized insurers, and the broker must be licensed as a surplus lines broker.

Currently, an individual must be a resident of the state to be licensed as a surplus lines broker.

Summary of Bill:

The Insurance Commissioner is authorized to license a nonresident person as a surplus lines broker if he or she meets all other requirements of the law, and if his or her state or province of residence extends a similar privilege to Washington residents. A nonresident surplus lines licensee is subject to the commissioner's supervision as though he or she were a resident of this state.

Appropriation: None.

Fiscal Note: Not Requested.

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