

HOUSE BILL REPORT

HB 2224

As Reported by House Committee On:
Financial Institutions & Insurance

Title: An act relating to licensing specialty producers of certain lines of insurance.

Brief Description: Licensing specialty producers of certain lines of insurance.

Sponsors: Representatives Benson and Hatfield.

Brief History:

Committee Activity:

Financial Institutions & Insurance: 2/8/02 [DPS].

Brief Summary of Substitute Bill

- The House Financial Institutions Committee is to study the insurance products offered to consumers of electronic products and make recommendations.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill 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:

The Office of the Insurance Commissioner (OIC) regulates the licensing of agents, brokers, solicitors, and adjusters within the insurance industry. Such insurance professionals must be licensed in accordance with specific statutory criteria, and may not engage in insurance marketing activities without the requisite license. In addition to the submission of an application, a prospective licensee must pass an examination designed to test his or her qualifications and competence.

Though subject to specific conditions, persons engaged in the marketing of "credit-related insurance" may be exempt from the licensing requirements imposed on other insurance

professionals. Credit-related insurance includes life, disability, and casualty insurance designed to insure debtors against loss or damage stemming from an inability to pay an obligation originating from an extension of credit. Such insurance may be marketed by unlicensed persons, provided the person does not receive a commission or other compensation.

Summary of Substitute Bill:

The House Financial Institutions and Insurance Committee must study the insurance products offered to consumers of electronic equipment, including information and brochures describing these insurance products, and make recommendations for the appropriate regulation of these insurance products. This includes recommendations on the licensure of speciality producers of these insurance products.

Substitute Bill Compared to Original Bill:

The substitute bill replaces the original bill with a study by the House Financial Institutions and Insurance Committee.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: None.

Testimony Against: None.

Testified: None.