

# SENATE BILL REPORT

## SB 5654

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As Reported By Senate Committee On:  
Labor, Commerce & Financial Institutions, February 20, 2001

**Title:** An act relating to licensing insurance agents, brokers, solicitors, and adjusters.

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

**Sponsors:** Senators Prentice, Winsley, Deccio and Regala; by request of Insurance Commissioner.

**Brief History:**

**Committee Activity:** Labor, Commerce & Financial Institutions: 2/15/01, 2/20/01 [DP].

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### SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

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**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Gardner, Vice Chair; Benton, Deccio, Fairley, Franklin, Hochstatter, Honeyford, Patterson, Rasmussen, Regala and Winsley.

**Staff:** Elizabeth Mitchell (786-7430)

**Background:** Insurance agents, brokers, solicitors, and adjusters are required to be licensed by the Insurance Commissioner. The 1999 Gramm-Leach-Bliley Act called for at least a majority of state insurance commissioners to make their nonresident licensing procedures more uniform. If at least a majority of states do not achieve such uniformity by 2002, certain provisions of the act will go into effect.

Currently, the commissioner may license qualified nonresident agents and brokers if their state or province has a reciprocal law allowing the licensing of qualified Washington agents and brokers.

Residents of other states who wish to be licensed as agents, brokers, solicitors, or adjusters must complete an application provided by the commissioner.

**Summary of Bill:** Requirements for the licensing of nonresidents are changed to more closely conform to the provisions of the Gramm-Leach-Bliley Act.

The commissioner may license nonresident agents and brokers: (1) if their state or province has a reciprocal law allowing the licensing of qualified Washington agents and brokers; and (2) if the agent or broker holds a license issued by his or her state or province.

Residents of other states who wish to be licensed as agents, brokers, solicitors, or adjusters may apply to the commissioner on a form prepared by the National Association of Insurance Commissioners or other forms approved by the commissioner by rule.

**Appropriation:** None.

**Fiscal Note:** Requested on February 8, 2001.

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

**Testimony For:** This bill brings Washington into closer compliance with the reciprocity provisions of the Gramm-Leach-Bliley Act. The bill also allows Washington to retain standards that are higher than other states, such as requesting fingerprints with an application.

**Testimony Against:** None.

**Testified:** Bill Daley, Office of Insurance Commissioner.