

SENATE BILL REPORT

SB 5148

As Reported By Senate Committee On:
Financial Services, Insurance & Housing, February 6, 2003

Title: An act relating to providing confidentiality to certain insurance commissioner examinations.

Brief Description: Providing confidentiality to certain insurance commissioner examinations.

Sponsors: Senators Winsley and Prentice; by request of Insurance Commissioner.

Brief History:

Committee Activity: Financial Services, Insurance & Housing: 1/27/03, 2/6/03 [DPS].

SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

Majority Report: That Substitute Senate Bill No. 5148 be substituted therefor, and the substitute bill do pass.

Signed by Senators Benton, Chair; Winsley, Vice Chair; Keiser, Prentice, Reardon, Roach and Zarelli.

Staff: Elizabeth Mitchell (786-7430)

Background: The Office of the Insurance Commissioner examines companies it regulates for market conduct and financial solvency. During the course of these examinations, it is sometimes necessary for the office to request information from other states. Some other states are reluctant to give information to the office because current law does not explicitly exempt this information from public disclosure.

Summary of Substitute Bill: Information obtained or produced during financial or market conduct examinations is not required to be publicly disclosed by the commissioner unless the information is cited by the commissioner in connection with an agency action.

Substitute Bill Compared to Original Bill: If information is to be disclosed as part of an agency action, the commissioner must notify the party that produced the information five days before the disclosure. The notified party may seek injunctive relief to prevent disclosure.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Doing exams concurrently with other states will save time and money. While other states' working papers are exempt from public disclosure, Washington's are not.

Testimony Against: In the last 10 years, the commissioner has received several public disclosure exemptions. Existing law already provides that materials received from other states are exempt from public disclosure. There are concerns about in-house commissioner documents also being exempt from public disclosure.

Testified: PRO: Jon Hedegard, Insurance Commissioner's Office; Rowland Thompson, Allied Daily Newspapers (concerns).