

# SENATE BILL REPORT

## SB 6383

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As Reported By Senate Committee On:  
Financial Services, Insurance & Housing, February 2, 2004

**Title:** An act relating to insurance.

**Brief Description:** Regulating insurance.

**Sponsors:** Senators Murray and Berkey; by request of Insurance Commissioner.

**Brief History:**

**Committee Activity:** Financial Services, Insurance & Housing: 1/26/04, 2/2/04 [DP].

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### SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

**Majority Report:** Do pass.

Signed by Senators Benton, Chair; Winsley, Vice Chair; Berkey, Keiser, Murray, Prentice and Roach.

**Staff:** Joanne Conrad (786-7472)

**Background:** The Revised Code of Washington is periodically updated and clarified by the various state agencies responsible for its implementation. This eliminates obsolete language, makes minor substantive or technical changes, and repeals outdated sections, in a process called "clean-up." This bill is the Office of the Insurance Commissioner's (OIC) clean-up bill.

**Summary of Bill:** Numerous provisions of the Insurance code (RCW Title 48) are modernized and clarified. Outdated sections are repealed, internal cross-references are corrected, and minor substantive or technical changes are made, as follows:

- Clarifies OIC's authority to publish and sell books of insurance regulations;
- Increases the minimum capital and surplus requirement for title insurers, and clarifies definition of "title insurance";
- Increases the exemption of benefits payable to an annuitant from \$250 to \$2,500;
- Removes the 50 percent limitation on death benefits for family members under some group life policies;
- Revises title insurer certificate requirements and clarifies their investment minimums;
- Exempts insurers writing less than \$1,000 gross premiums from some reporting requirements;
- Clarifies the penalty for failure to file antifraud summary reports;
- Defines "creditable coverage" for purposes of open enrollment; and
- Allows certain fiduciary accounts in FDIC insured institutions.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** This bill is needed in order to modernize sections of the Insurance Code, and to harmonize with other statutes or current business practices. Many stakeholders reviewed this legislation.

**Testimony Against:** None.

**Testified:** PRO: Senator Murray, prime sponsor; Ruth Ammons, OIC.