

SENATE BILL REPORT

SB 5471

As Reported by Senate Committee On:
Financial Institutions, Housing & Insurance, February 14, 2013

Title: An act relating to insurance.

Brief Description: Addressing insurance, generally.

Sponsors: Senators Nelson, Mullet, Hobbs, Fain and Keiser; by request of Insurance Commissioner.

Brief History:

Committee Activity: Financial Institutions, Housing & Insurance: 2/12/13, 2/14/13 [DPS].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Majority Report: That Substitute Senate Bill No. 5471 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hobbs, Chair; Mullet, Vice Chair; Benton, Ranking Member; Fain, Hatfield, Nelson and Roach.

Staff: Edward Redmond (786-7471)

Background: The Office of the Insurance Commissioner (OIC) is authorized to regulate all insurance business in Washington, including certification of various types of insurers, approval of rate and form contracts, licensing of agents and brokers, collection of premium taxes, and responding to consumer complaints.

The Revised Code of Washington is periodically updated and clarified by the various state agencies responsible for its implementation. This clean-up process eliminates obsolete language, makes minor substantive or technical changes, and repeals outdated sections. This is OIC's clean-up bill.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Substitute): Numerous provisions of the insurance code are modernized and clarified, internal cross-references are corrected, and minor substantive or technical changes are made, as follows:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- authorizes reimbursement of training and travel expenses for volunteers in the Statewide Health Insurance Benefit Advisor program and reasonable expenditures for recognition of those volunteers;
- allows OIC to modify health rate filing summaries and explanations to reflect changes in the Federal Department of Health and Human Services requirements;
- clarifies that disability insurance coverage requirements for persons under age 26 do not apply to grandfathered health benefit plans;
- clarifies that for group or blanket disability insurance the coverage requirement for persons under age 26 is limited to group disability health benefit plans;
- provides that the actuarial value tiers of bronze, silver, gold, and platinum under the federal health reform laws apply to health plans offered outside the insurance exchange only in the individual and small group markets;
- repeals the requirement that OIC prepare statistical summaries regarding medical malpractice reporting data;
- repeals the requirement that OIC prepare a comparison report regarding any model statistical reporting standards adopted by the National Association of Insurance Commissioners;
- clarifies that OIC must use data rather than reports for the annual medical malpractice report to the Legislature and changes the due date of the report from June 30 to September 1; and
- makes numerous technical cross-reference and citation updates.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This bill is OIC-requested legislation that addressees needed updates to the insurance code. This bill contains a number of noncontroversial amendments that were vetted with the stakeholders during the interim and in some instances requested by them. It also corrects an error that was on a vehicle sharing bill last year. With respect to the medical malpractice statistical summaries, the amendments to that section will not impact OIC's obligation to provide an annual report to the Legislature.

Persons Testifying: PRO: Senator Nelson, prime sponsor; Drew Bouton, OIC.