

SENATE BILL REPORT

SB 5581

As Reported by Senate Committee On:
Financial Institutions & Insurance, February 5, 2015

Title: An act relating to the benefits of group life and disability insurance policies.

Brief Description: Addressing the benefits of group life and disability insurance policies.

Sponsors: Senators Angel and Hobbs.

Brief History:

Committee Activity: Financial Institutions & Insurance: 2/05/15 [DP].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass.

Signed by Senators Benton, Chair; Angel, Vice Chair; Mullet, Ranking Minority Member; Darneille, Hobbs and Pedersen.

Staff: Susan Jones (786-7404)

Background: The Insurance Commissioner (Commissioner) has the authority to regulate insurance. With the prior approval of the Commissioner, both individual and group life insurers may include certain noninsurance benefits as part of a policy. However, approval of any particular proposed noninsurance benefit is not required. These benefits include the following services: will preparation; financial and estate planning; probate and estate settlement; and such other services as the Commissioner may identify by rule. The provider of the noninsurance benefit must be appropriately licensed. All ethical requirements for, and the authority of, Washington attorneys remain in force. Likewise, the prohibition against the unauthorized practice of law remains in force.

Summary of Bill: Grief counseling is added to the benefits a life insurer may include as part of a policy of individual or group life insurance with the prior approval of the Commissioner.

With the prior approval of the Commissioner, disability insurers may also include noninsurance benefits as part of a policy or certificate of group disability benefits, including will preparation; financial and estate planning; probate and estate settlement; grief counseling; and such other services as the Commissioner may identify by rule.

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.

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: The bill adds grief counseling to the allowable noninsurance benefits. Grief counseling is an important form of therapy that helps when there are major life changes. When something tragic happens, friends and family may not know what to say or how to help. The insurance company may know how to help. Insurers providing grief counseling benefits are allowed outside the state of Washington. It is time to allow it in this state. Insurers have tried to get this included for group policies with the Office of the Insurance Commissioner (OIC) and this language was worked on with insurers and OIC.

Persons Testifying: PRO: Senator Angel, prime sponsor; Steve Buckner, Metlife.