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HOUSE BILL 1761

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State of Washington

64th Legislature

2015 Regular Session

By Representatives Stanford, Vick, Kirby, Parker, Ryu, G. Hunt, Blake, Santos, and Hurst

Read first time 01/28/15. Referred to Committee on Business & Financial Services.

1 AN ACT Relating to insurance producers, insurers, and title  
2 insurance agents activities with customers and potential customers;  
3 amending RCW 48.30.140 and 48.30.150; and adding new sections to  
4 chapter 48.30 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 48.30.140 and 2009 c 329 s 1 are each amended to  
7 read as follows:

8 (1) Except to the extent provided for in an applicable filing  
9 with the commissioner then in effect, no insurer, insurance producer,  
10 or title insurance agent shall, as an inducement to insurance, or  
11 after insurance has been effected, directly or indirectly, offer,  
12 promise, allow, give, set off, or pay to the insured or to any  
13 employee of the insured, any rebate, discount, abatement, or  
14 reduction of premium or any part thereof named in any insurance  
15 contract, or any commission thereon, or earnings, profits, dividends,  
16 or other benefit, or any other valuable consideration or inducement  
17 whatsoever which is not expressly provided for in the policy.

18 (2) Subsection (1) of this section shall not apply as to  
19 commissions paid to a licensed insurance producer, or title insurance  
20 agent for insurance placed on that person's own property or risks.

1 (3) This section shall not apply to the allowance by any marine  
2 insurer, or marine insurance producer, to any insured, in connection  
3 with marine insurance, of such discount as is sanctioned by custom  
4 among marine insurers as being additional to the insurance producer's  
5 commission.

6 (4) This section shall not apply to advertising or promotional  
7 programs conducted by insurers, insurance producers, or title  
8 insurance agents whereby prizes, goods, wares, gift cards, gift  
9 certificates, or merchandise, not exceeding (~~twenty-five~~) one  
10 hundred dollars in value per person in the aggregate in any twelve  
11 month period, are given to all insureds or prospective insureds under  
12 similar qualifying circumstances.

13 (5) This section does not apply to an offset or reimbursement of  
14 all or part of a fee paid to an insurance producer as provided in RCW  
15 48.17.270.

16 (6)(a) Subsection (1) of this section shall not be construed to  
17 prohibit a health carrier or disability insurer from including as  
18 part of a group or individual health benefit plan or contract  
19 containing health benefits, a wellness program which meets the  
20 requirements for an exception from the prohibition against  
21 discrimination based on a health factor under the health insurance  
22 portability and accountability act (P.L. 104-191; 110 Stat. 1936) and  
23 regulations adopted pursuant to that act.

24 (b) For purposes of this subsection: (i) "Health carrier" and  
25 "health benefit plan" have the same meaning as provided in RCW  
26 48.43.005; and (ii) "wellness program" has the same meaning as  
27 provided in 45 C.F.R. 146.121(f).

28 (7) The dollar threshold established in subsection (4) of this  
29 section must be adjusted for inflation by the office of the insurance  
30 commissioner every five years, beginning July 1, 2020, based upon  
31 changes in the consumer price index during that time period.  
32 "Consumer price index" means, for any calendar year, that year's  
33 annual average consumer price index - Seattle, Washington area for  
34 urban wage earners and clerical workers, all items, compiled by the  
35 bureau of labor statistics, United States department of labor. The  
36 office of the insurance commissioner must calculate the new dollar  
37 threshold and transmit it to the office of the code reviser for  
38 publication in the Washington State Register at least one month  
39 before the new dollar threshold is to take effect.

1       **Sec. 2.** RCW 48.30.150 and 2009 c 329 s 2 are each amended to  
2 read as follows:

3       (1) No insurer, insurance producer, title insurance agent, or  
4 other person shall, as an inducement to insurance, or in connection  
5 with any insurance transaction, provide in any policy for, or offer,  
6 or sell, buy, or offer or promise to buy or give, or promise, or  
7 allow to, or on behalf of, the insured or prospective insured in any  
8 manner whatsoever:

9       (a) Any shares of stock or other securities issued or at any time  
10 to be issued on any interest therein or rights thereto; or

11       (b) Any special advisory board contract, or other contract,  
12 agreement, or understanding of any kind, offering, providing for, or  
13 promising any profits or special returns or special dividends; or

14       (c) Any prizes, goods, wares, gift cards, gift certificates, or  
15 merchandise of an aggregate value in excess of (~~twenty-five~~) one  
16 hundred dollars.

17       (2) Subsection (1) of this section shall not be deemed to  
18 prohibit the sale or purchase of securities as a condition to or in  
19 connection with surety insurance insuring the performance of an  
20 obligation as part of a plan of financing found by the commissioner  
21 to be designed and operated in good faith primarily for the purpose  
22 of such financing, nor shall it be deemed to prohibit the sale of  
23 redeemable securities of a registered investment company in the same  
24 transaction in which life insurance is sold.

25       (3)(a) Subsection (1) of this section shall not be deemed to  
26 prohibit a health carrier or disability insurer from including as  
27 part of a group or individual health benefit plan or contract  
28 providing health benefits, a wellness program which meets the  
29 requirements for an exception from the prohibition against  
30 discrimination based on a health factor under the health insurance  
31 portability and accountability act (P.L. 104-191; 110 Stat. 1936) and  
32 regulations adopted pursuant to that act.

33       (b) For purposes of this subsection: (i) "Health carrier" and  
34 "health benefit plan" have the same meaning as provided in RCW  
35 48.43.005; and (ii) "wellness program" has the same meaning as  
36 provided in 45 C.F.R. 146.121(f).

37       (4) The dollar threshold established in subsection (1)(c) of this  
38 section must be adjusted for inflation by the office of the insurance  
39 commissioner every five years, beginning July 1, 2020, based upon  
40 changes in the consumer price index during that time period.

1 "Consumer price index" means, for any calendar year, that year's  
2 annual average consumer price index - Seattle, Washington area for  
3 urban wage earners and clerical workers, all items, compiled by the  
4 bureau of labor statistics, United States department of labor. The  
5 office of the insurance commissioner must calculate the new dollar  
6 threshold and transmit it to the office of the code reviser for  
7 publication in the Washington State Register at least one month  
8 before the new dollar threshold is to take effect.

9 NEW SECTION. Sec. 3. A new section is added to chapter 48.30  
10 RCW to read as follows:

11 (1) An insurance producer may give to an individual, prizes,  
12 goods, wares, gift cards, gift certificates, or merchandise not  
13 exceeding twenty-five dollars in value per referral in any  
14 consecutive twelve-month period for the referral of insurance  
15 business to the insurance producer, if the giving of the prizes,  
16 goods, wares, gift cards, gift certificates, or merchandise is not  
17 conditioned upon the person who is referred either applying for, or  
18 obtaining, or both, insurance through the insurance producer.

19 (2) The payment for the referral must not be in cash, currency,  
20 bills, coins, check, or by money order.

21 (3) Referral activities authorized in this section are exempt  
22 from RCW 48.30.140 and 48.30.150.

23 (4) The dollar threshold established in subsection (1) of this  
24 section must be adjusted for inflation by the office of the insurance  
25 commissioner every five years, beginning July 1, 2020, based upon  
26 changes in the consumer price index during that time period.

27 "Consumer price index" means, for any calendar year, that year's  
28 annual average consumer price index - Seattle, Washington area for  
29 urban wage earners and clerical workers, all items, compiled by the  
30 bureau of labor statistics, United States department of labor. The  
31 office of the insurance commissioner must calculate the new dollar  
32 threshold and transmit it to the office of the code reviser for  
33 publication in the Washington State Register at least one month  
34 before the new dollar threshold is to take effect.

35 NEW SECTION. Sec. 4. A new section is added to chapter 48.30  
36 RCW to read as follows:

37 (1) An insurance producer may sponsor events for, or make  
38 contributions to, not-for-profit organizations, if the sponsorship or

1 contribution is not conditioned upon the organization either applying  
2 for, obtaining, or both, insurance through the insurance producer.  
3 (2) Sponsorship and charitable contribution activities authorized  
4 in this section are exempt from RCW 48.30.140 and 48.30.150.

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