

SENATE BILL REPORT

HB 1431

As Reported by Senate Committee On:
Financial Institutions, Economic Development & Trade, March 14, 2019

Title: An act relating to joint self-insurance programs for property and liability risks.

Brief Description: Concerning joint self-insurance programs for property and liability risks.

Sponsors: Representatives Kirby and Vick; by request of Board of Pilotage Commissioners.

Brief History: Passed House: 3/07/19, 97-0.

Committee Activity: Financial Institutions, Economic Development & Trade: 3/14/19, 3/14/19 [DP].

Brief Summary of Bill

- Permits the Board of Pilotage Commissioners to participate in a local government joint self-insurance program.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE

Majority Report: Do pass.

Signed by Senators Mullet, Chair; Hasegawa, Vice Chair; Wilson, L., Ranking Member; Das, Ericksen and Hobbs.

Staff: Clint McCarthy (786-7319)

Background: Local government entities, nonprofit corporations, and affordable housing entities have the authority to self-insure against risks; jointly purchase insurance or reinsurance; and contract for risk management, claims, and administrative services. Joint self-insurance risk pools are authorized to obligate the pool's participants to pledge revenues or contribute money to secure the obligations or pay the expenses of the pool, including the establishment of a reserve. Risk pools may sell revenue bonds and short-term obligations and establish lines of credit. The Office of Risk Management with the Department of Enterprise Services is responsible for the regulation of these self-insurance pools.

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.

Summary of Bill: Adds the Board of Pilotage commissioners to the entities that may join or form a self-insurance program with other entities. A Board of Pilotage commissioner may not accept anything of value for services rendered in connection with the operation and management of a self-insurance program.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: The Board of Pilotage is seeking access to local insurance pools to get reasonably priced liability insurance.

Persons Testifying: PRO: Representative Steve Kirby, Prime Sponsor; Sheri Tonn, Chair, Washington Board of Pilotage Commissioners.

Persons Signed In To Testify But Not Testifying: No one.