
**Consumer Protection & Business
Committee**

HB 2329

Brief Description: Conducting a study of the insurance market for housing providers receiving housing trust fund resources.

Sponsors: Representatives Macri, Peterson, Alvarado, Chopp, Bateman, Pollet, Reed and Ramel.

Brief Summary of Bill

- Directs the Office of the Insurance Commissioner (OIC) to study the property and liability coverages available to specified housing providers.

Hearing Date: 1/24/24

Staff: Michelle Rusk (786-7153).

Background:

Housing Providers.

Housing Trust Fund.

Established in 1986, the Washington Housing Trust Fund program provides grants or loans to help communities develop and preserve affordable housing to meet the needs of low-income and special needs populations. Affordable housing is residential housing for rent which, when occupied by low-income households, limits monthly housing costs to no more than 30 percent of the household's income. Low-income households are those with an adjusted income of less than 80 percent of the median family income of the county where the project is located. The Housing Trust Fund makes funds available for affordable housing projects through a competitive application process.

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

State law also defines "extremely low-income households" as those households whose adjusted income is at or below 30 percent of the median household income for the county where the household is located.

Office of the Insurance Commissioner.

The Office of the Insurance Commissioner (OIC) provides oversight to the insurance industry in Washington through insurance producer and insurance company licensing. The OIC also reviews and approves the insurance products that carriers and insurers sell, making sure policies conform to state laws and regulations.

Summary of Bill:

Office of the Insurance Commissioner (OIC) Study.

The OIC must conduct a study of the property and liability insurance coverages available to housing providers receiving housing trust fund resources and serving extremely low income households (Applicable Housing Providers). As part of the study, the OIC must consult with the following: (1) applicable housing providers; (2) authorized insurers; (3) unauthorized insurers; (4) providers of nonprofit insurance services; (5) risk-sharing pools for public housing authorities and nongovernmental owners of affordable housing properties; (6) risk retention groups; (7) relevant association groups; and (8) other relevant state agencies including the Department of Enterprise Services, the Office of Risk Management, and the Department of Commerce.

The OIC must:

1. obtain data, from entities transacting insurance with applicable housing providers from the previous five years, on: (a) the number and type of policies in effect; (b) whether and why policies were not renewed or canceled; (c) claims activity; and (d) premiums and deductibles; and
2. investigate and request any other relevant information that may assist the OIC with analyzing the availability of property and liability coverages for applicable housing providers.

Data must be collected from authorized insurers, unauthorized insurers, and risk retention groups. Data requested by the OIC is exempt from disclosure under the Public Records Act.

The report must be submitted to the Legislature by December 31, 2024. It must make recommendations on potential policy or budget options, including considerations regarding development of a high-risk sharing pool and addressing reinsurance market volatility. The OIC may contract with a vendor to conduct actuarial analysis if necessary.

Appropriation: None.

Fiscal Note: Requested on January 17, 2024.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.