

HOUSE BILL REPORT

SB 5842

As Passed House:
February 29, 2024

Title: An act relating to restricting the use of social security numbers by insurance companies for the purpose of determining child support debt.

Brief Description: Restricting the use of social security numbers by insurance companies for the purpose of determining child support debt.

Sponsors: Senators Kuderer, Frame, Dhingra, Hasegawa, Hunt, Nobles, Wellman and Wilson, C..

Brief History:

Committee Activity:

Civil Rights & Judiciary: 2/14/24, 2/16/24 [DP].

Floor Activity:

Passed House: 2/29/24, 96-0.

Brief Summary of Bill

- Requires the Division of Child Support to minimize the use of an insurance claimant's social security number when determining whether the claimant owes past-due child support.

HOUSE COMMITTEE ON CIVIL RIGHTS & JUDICIARY

Majority Report: Do pass. Signed by 10 members: Representatives Taylor, Chair; Farivar, Vice Chair; Walsh, Ranking Minority Member; Abbarno, Cheney, Entenman, Goodman, Peterson, Thai and Walen.

Staff: Yelena Baker (786-7301).

Background:

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.

Parents have a legal duty to financially support their children. Child support is money paid by a parent to a party taking care of the children to help support the children. Child support obligations are established through the court or an administrative process with the Department of Social and Health Services (DSHS).

The DSHS Division of Child Support (DCS) is responsible for administering the state's child support enforcement program and provides services to establish, modify, and enforce child support orders. The DCS also collects child support from parents when the child is either receiving public assistance or is in foster care. Both federal and state law authorize the DCS to enforce child support obligations through various means, including taking withholding actions against a responsible parent's wages and earnings, as well as placing a lien on assets and benefits, like insurance claim payments.

An insurance company that issues either a one-time lump sum or an installment payment that is over \$500 directly to a claimant for a bodily injury, wrongful death, workers' compensation, or life insurance claim must verify whether the claimant owes past-due child support to the DSHS or to a person receiving services from the DCS. No later than 10 days after opening a claim, an insurer is required to submit minimum identifying information about the claimant to:

- an insurance claim data collection organization;
- the federal Office of Child Support Enforcement or the Child Support Lien Network;
or
- the DCS, in a manner satisfactory to the DSHS.

Any exchange of information between insurers and relevant entities must comply with applicable state and federal privacy protections. Insurers must take the steps necessary to authorize an insurance claim data collection organization to share minimum identifying information with the federal Office of Child Support Enforcement or the Child Support Lien Network.

An insurer may not be held liable in any civil or criminal action for good faith disclosure of information to the DSHS or the DCS.

Summary of Bill:

When providing minimum identifying information about a claimant to the DCS, an insurer must provide the information directly to the DCS.

The DCS must minimize the use of directly reported social security numbers unless the claimant cannot be identified using the claimant's full name, current physical address, and date of birth.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This is a common-sense consumer protection bill that is designed to protect against the unintended consequences of giving out one's social security number if it is unnecessary to do so. The bill simply tells the DCS to verify a person's identity with other information, if possible.

(Opposed) None.

Persons Testifying: Senator Patty Kuderer, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.