

SENATE BILL REPORT

SB 5842

As Passed Senate, January 31, 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: Business, Financial Services, Gaming & Trade: 1/11/24, 1/16/24 [DP].

Floor Activity: Passed Senate: 1/31/24, 48-0.

Brief Summary of Bill

- Minimizes the use of an insurance claimant's social security number in the process of determining whether they owe past-due child support by first establishing the claimant's identity through other personal identifying information.

SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES, GAMING & TRADE

Majority Report: Do pass.

Signed by Senators Stanford, Chair; Frame, Vice Chair; Dozier, Ranking Member; Boehnke, Gildon, Hasegawa, Lovick, MacEwen and Mullet.

Staff: Kellee Gunn (786-7429)

Background: Parents have a legal duty to financially support their children. Child support

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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. 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 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. DCS may release an administrative support lien or return seized property if the debtor gives adequate assurance of payment.

An insurance company that issues either a one-time lump sum or an installment payment 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 DSHS or to a person receiving services from DCS.

To determine whether a claimant owes a debt and verify their identity, all insurance companies must provide 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
- DCS.

If it is determined the claimant owes child support and the insurer receives a notice from DSHS identifying the amount of debt owed, the insurer must withhold the amount specified and remit the amount to DSHS within 20 days.

Summary of Bill: Insurance companies shall provide minimum identifying information on a claimant to DCS, in a manner satisfactory to DSHS. DCS shall 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.

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: This bill came from conversations with colleagues where clients in situations had a claim with an insurance company were required to provide a social security number. Social security numbers are one of the most trafficked

things on the dark web. The more we can do to protect this piece of information, the better. This bill slightly modifies what is already required to be shared. This will protect an individual from cyber security threats.

Persons Testifying: PRO: Senator Patty Kuderer, Prime Sponsor.

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