
SENATE BILL 5842

State of Washington

68th Legislature

2024 Regular Session

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

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1 AN ACT Relating to restricting the use of social security numbers
2 by insurance companies for the purpose of determining child support
3 debt; and amending RCW 26.23.037.

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

5 **Sec. 1.** RCW 26.23.037 and 2021 c 168 s 2 are each amended to
6 read as follows:

7 (1)(a) Except as otherwise provided in subsection (8) of this
8 section, each insurer shall, not later than 10 days after opening a
9 tort liability claim for bodily injury or wrongful death, a workers'
10 compensation claim, or a claim under a policy of life insurance,
11 exchange information with the division of child support in the manner
12 prescribed by the department to verify whether the claimant owes debt
13 for the support of one or more children to the department or to a
14 person receiving services from the division of child support. To the
15 extent feasible, the division of child support shall facilitate a
16 secure electronic process to exchange information with insurers
17 pursuant to this subsection. The obligation of an insurer to exchange
18 information with the division of child support is discharged upon
19 complying with the requirements of this subsection.

20 (b) The exchange of information pursuant to chapter 168, Laws of
21 2021 must comply with privacy protections under applicable state and

1 federal laws and regulations, including the federal health insurance
2 portability and accountability act.

3 (2) In order to determine whether a claimant owes a debt being
4 enforced by the division of child support, all insurance companies
5 doing business in the state of Washington that issue qualifying
6 payments to claimants must provide minimum identifying information
7 about the claimant to:

8 (a) An insurance claim data collection organization;

9 (b) The federal office of child support enforcement or the child
10 support lien network; or

11 (c) The division of child support directly in a manner
12 satisfactory to the department; however, the division of child
13 support shall minimize the use of directly reported social security
14 numbers unless the claimant cannot be identified using the claimant's
15 full name, current physical address, and date of birth.

16 (3) Insurers must take the steps necessary to authorize an
17 insurance claim data collection organization to share minimum
18 identifying information with the federal office of child support
19 enforcement and the child support claim lien network.

20 (4) Except as otherwise provided in subsections (5) and (7) of
21 this section, if an insurer is notified by the division of child
22 support that a claimant owes debt for the support of one or more
23 children to the department or to a person receiving services from the
24 division of child support, the insurer shall, upon the receipt of a
25 notice issued by the department identifying the amount of debt owed
26 pursuant to chapter 74.20A RCW:

27 (a) Withhold from payment on the claim the amount specified in
28 the notice; and

29 (b) Remit the amount withheld from payment to the department
30 within 20 days.

31 (5) The department shall give any lien, claim, or demand for
32 reasonable claim-related attorneys' fees, property damage, and
33 medical costs priority over any withholding of payment pursuant to
34 subsection (4) of this section.

35 (6) Any information obtained pursuant to chapter 168, Laws of
36 2021 must be used only for the purpose of carrying out the provisions
37 of chapter 168, Laws of 2021. An insurer or other entity described in
38 subsection (2) of this section may not be held liable in any civil or
39 criminal action for any act made in good faith pursuant to this
40 section including, but not limited to:

1 (a) Any disclosure of information to the department or the
2 division of child support; or

3 (b) The withholding of any money from payment on a claim or the
4 remittance of such money to the department.

5 (7) An insurer may not delay the disbursement of a payment on a
6 claim to comply with the requirements of this section. An insurer is
7 not required to comply with subsection (4) of this section if the
8 notice issued by the department is received by the insurer after the
9 insurer has disbursed the payment on the claim. In the case of a
10 claim that will be paid through periodic payments, the insurer:

11 (a) Is not required to comply with the provisions of subsection
12 (4) of this section with regard to any payments on the claim
13 disbursed to the claimant before the notice was received by the
14 insurer; and

15 (b) Must comply with the provisions of subsection (4) of this
16 section with regard to any payments on the claim scheduled to be made
17 after the receipt of the notice.

18 (8) If periodic payment will be made to a claimant, an insurer is
19 only required to engage in the exchange of information pursuant to
20 subsection (1) of this section before issuing the initial payment.

21 (9) An insurance company's failure to comply with the reporting
22 requirements of chapter 168, Laws of 2021 does not amount to
23 noncompliance with a requirement of the division of child support as
24 described in RCW 74.20A.350.

25 (10) For the purposes of this section, the following definitions
26 apply:

27 (a) "Claimant" means any person who: (i) Brings a tort liability
28 claim for bodily injury or wrongful death; (ii) is receiving workers'
29 compensation benefits; or (iii) is a beneficiary under a life
30 insurance policy. "Claim for bodily injury" does not include a claim
31 for uninsured or underinsured vehicle coverage or medical payments
32 coverage under a motor vehicle liability policy.

33 (b) "Insurance claim data collection organization" means an
34 organization that maintains a centralized database of information
35 concerning insurance claims to assist insurers that subscribe to the
36 database in processing claims and detecting and preventing fraud, and
37 also cooperates and coordinates with the federal or state child
38 support entities to share relevant information for insurance
39 intercept purposes.

1 (c) "Insurer" means: (i) A person who holds a certificate of
2 authority to transact insurance in the state; or (ii) a chapter 48.15
3 RCW unauthorized insurer.

4 (d) "Qualifying payment" means a payment that is either a one-
5 time lump sum or an installment payment issued by an insurance
6 company doing business in the state of Washington, which is made for
7 the purpose of satisfying, compromising, or settling, a tort or
8 insurance claim where the payment is in excess of \$500 and is
9 intended to go directly to the claimant and not to a third party,
10 such as a health care provider.

11 (e) "Tort or insurance claim" means: (i) A claim for general
12 damages, which are also called noneconomic damages; or (ii) a claim
13 for lost wages. "Tort or insurance claim" does not include claims for
14 property damage under either liability insurance or uninsured
15 motorist insurance.

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