

SENATE BILL REPORT

SHB 1582

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, APRIL 2, 1993

Brief Description: Permitting certain transactions by insurance agent-brokers.

SPONSORS: House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Zellinsky, Mielke, R. Meyers, Dellwo, Campbell, Dorn, Dyer and Basich)

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Amondson, Fraser, McAuliffe, Pelz, and Sutherland.

Staff: Benson Porter (786-7470)

Hearing Dates: April 2, 1993

BACKGROUND:

Some agents and brokers hold dual agent/broker licenses. When a person is a broker for an insurance company that has appointed the person as an agent, the person may only act in an agency capacity and may not act as broker to place business with the company. As a result, if the insurance company markets a particular insurance product that is authorized for sale by brokers only, the company's agents are unable to place the business even if the agents are also licensed brokers.

SUMMARY:

With the approval of the insurer, an agent of the insurer who also holds a broker's license may act as a broker for certain policies where the insurer only deals with brokers. An agent may only participate in this arrangement and receive a broker's fee if a full disclosure of such circumstances is made to the insured or applicant for insurance.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Persons with dual licenses--an insurance broker and agent license--should be able to act as a broker.

TESTIMONY AGAINST: None

TESTIFIED: Jesse Gary, Western Association of Insurance Brokers
(pro)