

FINAL BILL REPORT

HB 1285

C 10 L 95
Synopsis as Enacted

Brief Description: Allowing persons that provide the insurance commissioner with surplus line insurance information to gain immunity from civil liability.

Sponsors: Representatives L. Thomas, Dellwo, Mielke, Benton, Huff, Wolfe, Campbell, Costa, Pelesky, Dyer, Kessler, Smith and Beeksma.

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions & Housing

Background: Generally, an insurance company cannot engage in the business of insurance in Washington State unless the insurance company is authorized to do so by the Office of the Insurance Commissioner (OIC). "Surplus lines" insurance coverage is an exception to this rule. Surplus lines insurance can be procured from unauthorized insurance companies when certain requirements are met.

Surplus lines insurance is coverage that cannot be procured from authorized insurance companies. Surplus lines insurance covers risks that do not fit normal underwriting patterns or standard insurance policies. While not subject to regulations governing premium rates or policy language, surplus lines insurance is regulated in other ways. For instance, surplus lines insurance can only be procured through a broker licensed in Washington State to sell surplus lines insurance, and surplus lines brokers cannot knowingly place insurance with insolvent insurers.

The OIC can take action against surplus line brokers for violating statutes and regulations regarding surplus lines insurance.

Summary: Agents, brokers, solicitors, and adjusters and surplus lines trade associations who furnish information to the Office of the Insurance Commissioner regarding unauthorized insurers are immune from civil liability for providing the information.

Votes on Final Passage:

House	94	0
Senate	46	0

Effective Date: July 23, 1995