

SENATE BILL REPORT

SB 6253

As of January 19, 2010

Title: An act relating to insurance.

Brief Description: Concerning insurance.

Sponsors: Senator Benton; by request of Insurance Commissioner.

Brief History:

Committee Activity: Financial Institutions, Housing & Insurance: 1/19/10.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Staff: Diane Smith (786-7410)

Background: The insurance commissioner may exempt charitable gift annuity businesses from all provisions of the insurance law except those specific to charitable gift annuity businesses. Charitable gift annuity businesses are required to file a copy of their annual statements with the commissioner by March 1 of every year. The annual statement is prepared according to the laws of the the state of the annuity's domicile.

The annual filing fee is \$25 and \$5 for each charitable gift annuity contract written for residents of this state.

The annual statement must have attached, to its first page, an actuary's report on the annuity's reserves.

Medicare supplemental coverage issued to residents of this state after June 1, 2010, must include standardized plan (E).

The health care discount plan organization act was enacted in 2009 and contains an inadvertent error.

Specifics of service of process on insurers by means of the appointment of the commissioner as the insurer's attorney for that purpose is described differently throughout the insurance code.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The life settlements act provides for a licensing fee of \$250 to accompany the application for a provider license and an annual renewal fee of the same amount. This fee is deposited into the commissioner's regulatory account.

Licenses of discount plan organizations under the health care discount plan organization act are of one year's duration.

Summary of Bill: The annual statement of charitable gift annuity businesses is renamed a report of current financial condition. It must be made on a form and in a manner prescribed by the commissioner. It must be filed within 60 days of the end of its fiscal year. The actuarial report must be attached and cover the fiscal year covered by the report.

The annual filing fee for charitable gift annuity businesses is due on March 1 of each year. It includes the year ending on or before December 31 of the previous calendar year.

Some aspects of the service of process are standardized in the insurance code.

The \$250 fee established by the life settlements act is deposited into the general fund.

It is clarified that the one-year licenses of discount plan organizations under health care discount plan organization act that are issued or renewed by July 1, 2010, are to be renewed annually on July 1. If not renewed, expiration is on the renewal date.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill contains largely technical changes. The bill ensures that both plans F of Medicare supplemental insurance are available to Washington residents. The charitable gift annuities portion should reduce overhead costs for companies by matching up their fiscal year and reporting requirements. The provisions on service of process will be pursued, instead, next year because of unexpected issues that arose recently.

Persons Testifying: PRO: Drew Bouton, Office of Insurance Commissioner.