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**SUBSTITUTE SENATE BILL 6052**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Senate Financial Institutions, Economic Development & Trade  
(originally sponsored by Senators Mullet, Wilson, L., and Kuderer)

READ FIRST TIME 01/22/20.

1 AN ACT Relating to life insurance products or services that are  
2 intended to incent behavioral changes that improve the health and  
3 reduce the risk of death of the insured; amending RCW 48.30.140,  
4 48.30.150, 48.30.155, and 48.23.525; and providing an effective date.

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

6 **Sec. 1.** RCW 48.30.140 and 2019 c 253 s 1 are each amended to  
7 read as follows:

8 (1) Except to the extent provided for in an applicable filing  
9 with the commissioner then in effect, no insurer, insurance producer,  
10 or title insurance agent shall, as an inducement to insurance, or  
11 after insurance has been effected, directly or indirectly, offer,  
12 promise, allow, give, set off, or pay to the insured or to any  
13 employee of the insured, any rebate, discount, abatement, or  
14 reduction of premium or any part thereof named in any insurance  
15 contract, or any commission thereon, or earnings, profits, dividends,  
16 or other benefit, or any other valuable consideration or inducement  
17 whatsoever which is not expressly provided for in the policy.

18 (2) Subsection (1) of this section shall not apply as to  
19 commissions paid to a licensed insurance producer, or title insurance  
20 agent for insurance placed on that person's own property or risks.

1 (3) This section shall not apply to the allowance by any marine  
2 insurer, or marine insurance producer, to any insured, in connection  
3 with marine insurance, of such discount as is sanctioned by custom  
4 among marine insurers as being additional to the insurance producer's  
5 commission.

6 (4) This section shall not apply to advertising or promotional  
7 programs conducted by insurers or insurance producers whereby prizes,  
8 goods, wares, gift cards, gift certificates, or merchandise, not  
9 exceeding one hundred dollars in value per person in the aggregate in  
10 any twelve-month period, are given to all insureds or prospective  
11 insureds under similar qualifying circumstances. This subsection does  
12 not apply to title insurers or title insurance agents.

13 (5) This section does not apply to an offset or reimbursement of  
14 all or part of a fee paid to an insurance producer as provided in RCW  
15 48.17.270.

16 (6) (a) Subsection (1) of this section shall not be construed to  
17 prohibit a health carrier or disability insurer from including as  
18 part of a group or individual health benefit plan or contract  
19 containing health benefits, a wellness program which meets the  
20 requirements for an exception from the prohibition against  
21 discrimination based on a health factor under the health insurance  
22 portability and accountability act (P.L. 104-191; 110 Stat. 1936) and  
23 regulations adopted pursuant to that act.

24 (b) For purposes of this subsection: (i) "Health carrier" and  
25 "health benefit plan" have the same meaning as provided in RCW  
26 48.43.005; and (ii) "wellness program" has the same meaning as  
27 provided in 45 C.F.R. 146.121(f).

28 (7) Subsection (1) of this section does not apply to a payment by  
29 an insurer to offset documented expenses incurred by a group  
30 policyholder in changing coverages from one insurer to another.  
31 Insurers shall describe any such payment in the group insurance  
32 policy or in an applicable filing with the commissioner. If an  
33 implementation credit is given to a group, the implementation credit  
34 is part of the premium for the purposes of RCW 48.14.020 and  
35 48.14.0201. This exception to subsection (1) of this section does not  
36 apply to "medicare supplemental insurance" or "medicare supplemental  
37 insurance policies" as defined in chapter 48.66 RCW.

38 (8) Subsection (7) of this section does not apply to small groups  
39 as defined in RCW 48.43.005.

1 (9) Subsection (1) of this section does not apply to products or  
2 services related to any policy of life insurance that are intended to  
3 incent behavioral changes that improve the health and reduce the risk  
4 of death of the insured.

5 **Sec. 2.** RCW 48.30.150 and 2019 c 253 s 2 are each amended to  
6 read as follows:

7 (1) No insurer, insurance producer, title insurance agent, or  
8 other person shall, as an inducement to insurance, or in connection  
9 with any insurance transaction, provide in any policy for, or offer,  
10 or sell, buy, or offer or promise to buy or give, or promise, or  
11 allow to, or on behalf of, the insured or prospective insured in any  
12 manner whatsoever:

13 (a) Any shares of stock or other securities issued or at any time  
14 to be issued on any interest therein or rights thereto; or

15 (b) Any special advisory board contract, or other contract,  
16 agreement, or understanding of any kind, offering, providing for, or  
17 promising any profits or special returns or special dividends; or

18 (c) Any prizes, goods, wares, gift cards, gift certificates, or  
19 merchandise of an aggregate value in excess of one hundred dollars  
20 per person in the aggregate in any consecutive twelve-month period.  
21 This subsection (1)(c) does not apply to title insurers or title  
22 insurance agents.

23 (2) Subsection (1) of this section shall not be deemed to  
24 prohibit the sale or purchase of securities as a condition to or in  
25 connection with surety insurance insuring the performance of an  
26 obligation as part of a plan of financing found by the commissioner  
27 to be designed and operated in good faith primarily for the purpose  
28 of such financing, nor shall it be deemed to prohibit the sale of  
29 redeemable securities of a registered investment company in the same  
30 transaction in which life insurance is sold.

31 (3)(a) Subsection (1) of this section shall not be deemed to  
32 prohibit a health carrier or disability insurer from including as  
33 part of a group or individual health benefit plan or contract  
34 providing health benefits, a wellness program which meets the  
35 requirements for an exception from the prohibition against  
36 discrimination based on a health factor under the health insurance  
37 portability and accountability act (P.L. 104-191; 110 Stat. 1936) and  
38 regulations adopted pursuant to that act.

1 (b) For purposes of this subsection: (i) "Health carrier" and  
2 "health benefit plan" have the same meaning as provided in RCW  
3 48.43.005; and (ii) "wellness program" has the same meaning as  
4 provided in 45 C.F.R. 146.121(f).

5 (4) Subsection (1) of this section does not prohibit an insurer  
6 from issuing any payment to offset documented expenses incurred by a  
7 group policyholder in changing coverages from one insurer to another  
8 as provided in RCW 48.30.140. If an implementation credit is given to  
9 a group, the implementation credit is part of the premium for the  
10 purposes of RCW 48.14.020 and 48.14.0201. This exception to  
11 subsection (1) of this section does not apply to "medicare  
12 supplemental insurance" or "medicare supplemental insurance policies"  
13 as defined in chapter 48.66 RCW.

14 (5) Subsection (4) of this section does not apply to small groups  
15 as defined in RCW 48.43.005.

16 (6) Subsection (1) of this section does not apply to products or  
17 services related to any policy of life insurance that are intended to  
18 incent behavioral changes that improve the health and reduce the risk  
19 of death of the insured.

20 **Sec. 3.** RCW 48.30.155 and 1957 c 193 s 19 are each amended to  
21 read as follows:

22 No life or disability insurer shall directly or indirectly  
23 participate in any plan to offer or effect any kind or kinds of  
24 insurance in this state as an inducement to the purchase by the  
25 public of any goods, securities, commodities, services or  
26 subscriptions to publications. This section shall not apply to group  
27 or blanket insurance issued pursuant to this code. This section does  
28 not apply to products or services related to any policy of life  
29 insurance that are intended to incent behavioral changes that improve  
30 the health and reduce the risk of death of the insured.

31 **Sec. 4.** RCW 48.23.525 and 2009 c 76 s 1 are each amended to read  
32 as follows:

33 (1) A life insurer may include the following noninsurance  
34 benefits as part of a policy of individual life insurance, with the  
35 prior approval of the commissioner:

- 36 (a) Will preparation services;
- 37 (b) Financial planning and estate planning services;
- 38 (c) Probate and estate settlement services; (~~and~~)

1       (d) Products or services related to any policy of individual life  
2 insurance that are intended to incent behavioral changes that improve  
3 the health and reduce the risk of death of the insured; and

4       (e) Such other services as the commissioner may identify by rule.

5       (2) For products and services referenced in subsection (1)(d) of  
6 this section, the commissioner may adopt rules that include minimum  
7 product or service standards to protect policyholder privacy rights;  
8 establish standards for ensuring that incentives, in the aggregate,  
9 are directed to sharing the benefit of improving risk experience; and  
10 implement consumer protection design and administration of such  
11 product or service.

12       (3) The commissioner may adopt rules to ensure disclosure of the  
13 noninsurance benefits permitted under this section, including but not  
14 limited to guidelines concerning the provision of the coverage.

15       (~~(3)~~) (4) Those providing the services listed in subsection (1)  
16 of this section must be appropriately licensed.

17       (~~(4)~~) (5) This section does not require the commissioner to  
18 approve any particular proposed noninsurance benefit. The  
19 commissioner may disapprove any proposed noninsurance benefit that  
20 the commissioner determines may tend to promote or facilitate the  
21 violation of any other section of this title.

22       (~~(5)~~) (6) This section does not expand, limit, or otherwise  
23 affect the authority and ethical obligations of those who are  
24 authorized by the state supreme court to practice law in this state.  
25 This section does not limit the prohibition against the unauthorized  
26 practice of law under chapter 2.48 RCW.

27       (~~(6)~~) (7) This section does not affect the application of  
28 chapter 21.20 RCW.

29       NEW SECTION.   **Sec. 5.** This act takes effect July 1, 2020.

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