

**SENATE RESOLUTION
1991-8686**

By Senators von Reichbauer and Moore

WHEREAS, State chartered commercial banks in towns of 5,000 people or less are authorized to act as an insurance agent; and

WHEREAS, Various reasons have been given as underlying this authorization, including the augmentation of income for banks located in small towns and the provision of financial services that may not otherwise be able in small towns; and

WHEREAS, The global financial community is moving toward consolidation of major banks with insurance companies, setting a commercial trend that could impact Washington State; and

WHEREAS, Some have expressed concern that the sale of insurance products by banks could mislead consumers into believing the full faith and credit of the bank stands behind the insurance products; and

WHEREAS, Concern has also been raised that banks exercising insurance power may utilize marketing techniques unavailable to other competitors to solicit insurance customers; and

WHEREAS, Regulation of insurance sales activities by banks involves federal and state laws, which may conflict; and

WHEREAS, There is ongoing public and industry debate as to the appropriate roles of the banking and insurance industries in the State of Washington;

NOW, THEREFORE, BE IT RESOLVED, That the Senate Financial Institutions and Insurance Committee study the current bank insurance operations during the 1991-92 interim, to report its findings to the President of the Senate by December 15, 1991, and to propose such legislation as the study suggests is necessary; and

BE IT FURTHER RESOLVED, That in undertaking the study on bank insurance activities, the Senate Financial Institutions and Insurance Committee shall consult with and may establish one or more technical advisory committees composed of representatives of the following:

1. The office of the Supervisor of Banking;
2. Consumer and community organizations;
3. The office of the State Insurance Commissioner
4. Insurance agent organizations; and
5. Banking industry organizations.

I, Gordon A. Golob, Secretary of the Senate, do hereby certify that this is a true and correct copy of Senate Resolution 1991-8686, adopted by the Senate April 28, 1991.

GORDON A. GOLOB
Secretary of the Senate