

SENATE BILL REPORT

SHB 2585

As of February 23, 2010

Title: An act relating to insurance.

Brief Description: Addressing insurance statutes, generally.

Sponsors: House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Kelley, Kirby and Moeller; by request of Insurance Commissioner).

Brief History: Passed House: 2/13/10, 95-0.

Committee Activity: Financial Institutions, Housing & Insurance: 2/17/10.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Staff: Diane Smith (786-7410)

Background: The Insurance Commissioner (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 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 (HCDP) was enacted in 2009 and contains an inadvertent error.

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.

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.

Licenses of discount plan organizations under HCDP 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.

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 HCDP 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 is the Office of the Insurance Commissioner's (OIC) annual technical bill. We have cut out the part that is not yet ready for prime time. This bill is exactly the same as SB 6253. It corrects Medicare supplemental insurance provisions which is an important thing to correct.

Persons Testifying: PRO: Representative Kelley, prime sponsor; Drew Bouton, OIC; Mel Sorenson, America's Health Insurance Plans.