

HB 1257-S - DIGEST

(DIGEST AS ENACTED)

Adopts the investments of insurers model act.
Eliminates current provisions, and creates a new framework for, regulating insurer investments.

VETO MESSAGE ON SHB 1257

April 29, 2011

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 19, Substitute House Bill 1257 entitled:

"AN ACT Relating to adopting the investments of insurers model act."

This bill updates the statutes on insurer investments to increase financial security and to provide more flexibility for insurers to manage their investments.

Section 19 would require the Office of the Insurance Commissioner to submit a report to the Governor and the Legislature, in consultation with the Department of Financial Institutions and the State Investment Board, by December 1, 2011. This is prior to the effective date of the act, July 1, 2012. Section 19 would require the Office of the Insurance Commissioner to gather information that is a redundant to the bill analysis, overly burdensome to obtain, or difficult to analyze prior to implementation of the law. Further, requiring proposed rules to be submitted to the Governor and Legislature would infringe upon the role of the Insurance Commissioner and would blur the distinction between the Legislature and a state executive office with regard to the rulemaking process.

For these reasons, I have vetoed Section 19 of Substitute House Bill 1257.

With the exception of Section 19, Substitute House Bill 1257 is approved.

Respectfully submitted,
Christine Gregoire
Governor