

SENATE BILL REPORT

SB 5434

As Passed Senate, March 10, 1995

Title: An act relating to the licensing of general agents.

Brief Description: Amending licensing requirements of general agents.

Sponsors: Senators Prentice, Hale and Fraser; by request of Insurance Commissioner.

Brief History:

Committee Activity: Financial Institutions & Housing: 2/9/95, 2/10/95 [DP].
Passed Senate, 3/10/95, 47-0.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair; Hale, Roach, Sellar, Smith and Sutherland.

Staff: Catherine Mele (786-7470)

Background: The Office of the Insurance Commissioner licenses agents, brokers, solicitors, and others engaged in the business of insurance. These licenses are for a period of time established by the commissioner. Generally, licenses are valid until revoked, provided fees are paid timely and other requirements are met.

In 1994, the Legislature changed the time period required to pay for license fees. This law requires that license fees be paid every two years instead of annually. The two-year payment period applies to licenses for agents, brokers, solicitors, adjusters, managing general agents, and resident general agents.

Currently, resident general agents renew licenses every March 31 following the date of issue, and pay fees every two years.

Summary of Bill: Resident general agents are treated the same as other insurance licensees. These agents are subject to the same renewal schedule as other agents and licensees.

Appropriation: None.

Fiscal Note: Requested on February 3, 1995.

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

Testimony For: This legislation brings resident general agents under the same licensing cycle as all other licensees. When the bill creating a two-year payment cycle was drafted last year, resident general agents were inadvertently excluded.

Testimony Against: None.

Testified: Bill Frandsen, Office of the Insurance Commissioner.

House Amendment(s): The amendment establishes the minimum required number of continuing education hours for agents and brokers to renew their licenses in statute (at 24 hours every two years) rather than having the Insurance Commissioner establish the number by rule (the current rule is 32 hours every two years).