

# SENATE BILL REPORT

## SB 5436

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As Reported By Senate Committee On:  
Financial Institutions & Housing, February 2, 1996

**Title:** An act relating to insurer discrimination against victims of abuse.

**Brief Description:** Insuring abuse victims.

**Sponsors:** Senators Prentice, Hale, Fraser, Wojahn, C. Anderson, Kohl, Sheldon, Franklin, Drew, Winsley, Wood, Rasmussen, Loveland, Deccio, Heavey, Snyder, Fairley, Oke and Spanel; by request of Insurance Commissioner.

**Brief History:**

**Committee Activity:** Financial Institutions & Housing: 2/3/95; 1/19/96, 2/2/96 [DPS].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

**Majority Report:** That Substitute Senate Bill No. 5436 be substituted therefor, and the substitute bill do pass.

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

**Staff:** Catherine Mele (786-7470)

**Background:** Generally, insurers and health carriers cannot discriminate against an insured, covered individual, or applicant because of sex, marital status, or the presence of a sensory, mental, or physical handicap.

It is suggested that insurers and health carriers should be prevented from discriminating against an insured, covered individual, or an applicant because these individuals are the subjects of domestic violence, sexual assault, or child abuse.

**Summary of Substitute Bill:** Insurers and health carriers are prohibited from denying, or refusing to issue, renew, or reissue an insurance policy or coverage on the basis of the insured's, covered individual's, or applicant's abuse status.

Insurers and health carriers are prohibited from restricting or excluding insurance or health benefit plan coverage on the basis of the insured's, covered individual's, or applicant's abuse status.

Insurers and health carriers are prohibited from adding a premium differential to any policy or health benefit plan on the basis of the insured's, covered individual's, or applicant's abuse status.

Insurers and health carriers are not permitted to disclose or transfer information regarding abuse status or abuse-related medical conditions. In addition, insurers and health carriers are not permitted to disclose or transfer information about an insured's, covered individual's,

or applicant's status as a family member, employer, associate, or a person in a relationship with an abused person, except when necessary for medical purposes.

Insurers and health carriers must develop and file with the office of the Insurance Commissioner guidelines that encourage sensitivity and appropriate behavior in cases involving abuse.

**Substitute Bill Compared to Original Bill:** The substitute bill prohibits disclosure or transfer of information relating to a subject of abuse unless related to the direct provision of or payment for specific health care or social services. Any insurer or health care provider that takes an action that adversely affects a subject of abuse shall notify the applicant, insured, or enrolled participant in writing if requested. Health care carriers and insurers must develop and file with the commissioner guidelines that encourage greater sensitivity and appropriate behavior when conducting business with abuse cases.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Occasionally victims of abuse, whether it be sexual abuse, sexual assault, or any other form of abuse, have been denied insurance coverage. This becomes a problem when the insurance company views abuse as a "pre-existing" condition or considers the abuse a risk factor for coverage. While the problem is not overwhelming, cases do exist in Washington. There has been no recourse for the victim because insurance companies have no laws that hold them responsible for not denying coverage.

**Testimony Against:** The bill is too difficult for insurance companies to comply with and needs work. Health care carriers already have to assure that everyone has health care through portability, preexisting conditions, and guaranteed issue provisions of the insurance code. There is no need for legislation which addresses a problem that does not exist in Washington State.

**Testified:** Deborah Ruggles, WA Coalition of Sexual Assault Programs (pro); Mary Clogston, OIC (pro); Mary Pontarolo, WA State Coalition Against Domestic Violence (pro); Basil Badley, ACLI, NIAA, AIA (con); Mel Sorensen, WA Physicians Service (con); Rick Wickman, Blue Cross (con); Ken Bertrand, Group Health (con); Jean Leonard, State Farm/WA Insurers/Alliance of American Insurers (con);