

SENATE BILL REPORT

SB 6020

As Passed Senate, March 9, 1995

Title: An act relating to educating consumers about insurance products.

Brief Description: Educating consumers about insurance products.

Sponsors: Senators Prentice, Fraser, Sellar and Sutherland.

Brief History:

Committee Activity: Financial Institutions & Housing: 2/28/95 [DP].
Passed Senate, 3/9/95, 40-8.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

Majority Report: Do pass.

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

Staff: Catherine Mele (786-7470)

Background: Under current statute, the Office of the Insurance Commissioner is responsible for disseminating information to the public concerning Washington insurance laws. In addition, the commissioner has the statutory responsibility to provide assistance to members of the public in obtaining information about insurance products and resolving complaints involving insurers and other licensees.

In order to meet the dual purpose of responding to consumer complaints and providing consumer education, the Office of the Insurance Commissioner established the Consumer Protection Division. Among other informational items, the Consumer Protection Division and the Public Affairs Division publish and distribute an auto rate comparison guide, and other fact sheets covering a variety of insurance products.

In addition to the Consumer Protection Division, the Office of the Insurance Commissioner has a Senior Health Insurance Benefits Advisors Division (SHIBA). This division, supported by over 300 volunteers, educates consumers about health insurance rights and options. The program helps Medicare beneficiaries, dependents and family members of Medicare beneficiaries, and others who are considering or nearing retirement ages 50 to 64.

It is suggested that the Office of the Insurance Commissioner consider the development of other programs to educate consumers.

Summary of Bill: The Office of the Insurance Commissioner is required to consider development of various programs and informational items to further educate consumers about insurance products.

Appropriation: None.

Fiscal Note: Requested on February 23, 1995.

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

Testimony For: The Office of the Insurance Commissioner supports consumer education programs. Insurers are willing to work with the Office of the Insurance Commissioner to educate consumers.

Testimony Against: None.

Testified: Greg Scully, Insurance Commissioner's Office; Mike Kapphahn, Farmers Ins. Group.