

HOUSE BILL REPORT

SHB 1065

As Reported By House Committee On: Financial Institutions & Insurance

Title: An act relating to the filing of corporate documents by insurance companies, health care service contractors, and health maintenance organizations.

Brief Description: Filing certain insurance related corporate documents.

Sponsors: House Committee on Financial Institutions & Insurance (originally sponsored by Representatives L. Thomas, Wolfe and Mason; by request of Insurance Commissioner).

Brief History:

Committee Activity:

Financial Institutions & Insurance: 1/15/98 [DP2S].

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 10 members: Representatives L. Thomas, Chairman; Smith, Vice Chairman; Zellinsky, Vice Chairman; Wolfe, Ranking Minority Member; Grant, Assistant Ranking Minority Member; Benson; Constantine; DeBolt; Keiser and Wensman.

Staff: Charlie Gavigan (786-7340).

Background: Currently, anyone organizing an insurance company to be incorporated in the state of Washington must file corporate documents with both the Office of the Secretary of State and the Office of the Insurance Commissioner. These documents include the articles of incorporation and any amendments to the articles. As with other corporations, the secretary of state checks for duplication of the proposed name with existing corporations or any similarity of names that might be confusing to the public. The insurance commissioner also checks proposed names for duplication or possible confusion.

These filing requirements also apply to health care service contractors and health maintenance organizations.

Summary of Second Substitute Bill: The requirement that corporate documents be filed in both the Office of the Insurance Commissioner and the Office of the Secretary of State by insurance companies is changed to require processing through the insurance commissioner only. The insurance commissioner and the secretary of state are required to cooperate in registering or reserving new corporate names to avoid duplication with existing corporate names. The insurance commissioner must notify the secretary of state immediately upon receiving a filing regarding a corporate name or taking action which affects a corporate name.

For health care service contractors and health maintenance organizations (HMOs), corporate documents still are filed with the secretary of state, who then forwards copies to the insurance commissioner.

Second Substitute Bill Compared to Substitute Bill: For health care service contractors and health maintenance organizations (HMOs), the secretary of state continues to be responsible for filing documents rather than the insurance commissioner (the secretary of state forwards copies to the insurance commissioner).

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This streamlines the filing and processing of corporate documents. Concerns about blurring responsibility for handling corporate documents for health care service contractors and health maintenance organizations are addressed by the amendment.

Testimony Against: None.

Testified: Rick Wickman, Blue Cross (supports with amendment); and John Woodall, Office of the Insurance Commissioner (supports).