

HOUSE BILL ANALYSIS

HB 2825

Title: An act relating to fees charged by general agents.

Brief Description: Clarifying fees charged by general agents.

Sponsors: Representatives L. Thomas, Wolfe, Zellinsky, Grant, Benson, DeBolt, Keiser, Smith, Sullivan, Constantine, Wensman and Thompson.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Meeting Date: January 29, 1998.

Bill Analysis Prepared by: Jim Morishima (786-7191)

Background: Insurance is governed by state law. Generally, an insurer cannot charge an insured any fees, compensation, or consideration not included in the premium. This prohibition does not apply to fees the insured pays to a broker.

Summary of Bill: The prohibition on fees outside of the premium does not apply to a fee an insured pays to a general agent. A general agent can receive a fee from an insurer that pays for services that are unique to general agents and are not part of the payment for the insurance policy itself.

Appropriation: None.

Fiscal Note: None requested.

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

Rulemaking Authority: Not addressed.