

SENATE BILL REPORT

SB 5012

As Reported By Senate Committee On:
Financial Institutions, Insurance & Housing, January 28, 1997

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: Senators Winsley and Prentice.

Brief History:

Committee Activity: Financial Institutions, Insurance & Housing: 1/23/97, 1/28/97 [DPS].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

Majority Report: That Substitute Senate Bill No. 5012 be substituted therefor, and the substitute bill do pass.

Signed by Senators Winsley, Chair; Benton, Vice Chair; Finkbeiner, Hale, Heavey and Prentice.

Staff: David Cheal (786-7576)

Background: Currently, anyone organizing an insurance company to be incorporated in the state of Washington must file corporate documents with both 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 office of the Insurance Commissioner also checks proposed names for duplication or possible confusion.

These filing requirements apply to corporations seeking a certificate of authority to issue insurance policies, health care service corporations, and health maintenance organizations.

Summary of Substitute Bill: The requirement for filing corporate documents in both the office of the Insurance Commissioner and the Secretary of State by insurance companies, health care service corporations, and health maintenance organizations is amended to require filing only with the office of the Insurance Commissioner.

The office of the Insurance Commissioner and Secretary of State are required to cooperate in registering or reserving new corporate names to avoid duplication with existing corporate names.

Substitute Bill Compared to Original Bill: A section is added to the substitute bill to provide additional protection against duplicate names being issued to different companies.

Appropriation: None.

Fiscal Note: Requested on January 21, 1997.

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

Testimony For: The need for filing articles of incorporation and certain other corporate documents with two agencies will be avoided.

Testimony Against: None.

Testified: John Woodall, Insurance Commissioner's Office (pro).