

***Financial Institutions &
Insurance Committee***

HB 1661

Brief Description: *Regulating juvenile life insurance.*

Sponsors: *Representatives Keiser, Bush, Santos and Miloscia.*

Brief Summary of Bill

- *Insurers are required to develop a set of industry practices in order to combat fraud with respect to the purchase of life insurance on juveniles.*
- *Insurers must keep records of rejected juvenile life insurance applications for 10 years.*

Hearing Date: *2/14/01*

Staff: *Thamas Osborn (786-7129).*

Background:

The legislature has explicitly recognized the insurance industry as being one that is "affected by the public interest,– and thus insurers are subject to stringent regulatory oversight by the State Insurance Commissioner (the commissioner). The commissioner regulates the corporate activities of insurers and oversees the provision of insurance services to consumers.

The issuance of life insurance policies is regulated under chapter 48.23 RCW. Current law allows for the purchase of life insurance with respect to juveniles and is not subject to any statutory regulation or restriction specific to insuring juveniles.

Summary of Bill:

Life insurers are required to develop standards and practices, to be implemented industry-wide, that serve to prevent the purchase of life insurance on juveniles where the purchase

is done for fraudulent or speculative purposes. Insurers are required to submit the standards and practices to the commissioner for his review.

Insurers are also required to maintain for 10 years all records of juvenile life insurance applications that are rejected.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: The bill takes effect on August 1, 2001.