

SENATE BILL REPORT

SHB 1763

As Reported By Senate Committee On:
Labor, Commerce & Financial Institutions, March 27, 2001

Title: An act relating to protecting the confidentiality of information relating to insurance.

Brief Description: Protecting the confidentiality of information relating to insurance.

Sponsors: By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives McIntire, Bush, Keiser and Ogden; by request of Insurance Commissioner).

Brief History:

Committee Activity: Labor, Commerce & Financial Institutions: 3/27/01 [DP].

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Gardner, Vice Chair; Franklin, Hochstatter, Honeyford, Rasmussen, Regala, West and Winsley.

Staff: Elizabeth Mitchell (786-7430)

Background: The 1999 Gramm-Leach-Bliley Act provides that banks and insurers can join together in holding companies. In order to effectively regulate insurers in such holding companies, the Insurance Commissioner sometimes needs to access information about the banks in these holding companies. There is concern that banks regulated by federal and international authorities may be reluctant to give the Insurance Commissioner information that will become available for public viewing due to Washington public disclosure laws.

Summary of Bill: Confidential and/or privileged information the Insurance Commissioner receives from specified sources is exempt from public disclosure if the information is protected from public disclosure by the source providing the information. Confidentiality applies only to the commissioner, persons acting under the authority of the commissioner, law and regulatory enforcement personnel, and the National Association of Insurance Commissioners. The information is not subject to subpoena directed to the commissioner or persons acting under the authority of the commissioner. Information can be used by the commissioner in any legal action that is part of the commissioner's official duties.

The sources of information to which this exemption applies are: (1) the National Association of Insurance Commissioners; (2) regulatory or law enforcement officials of other states and nations, the federal government, and international authorities; and (3) agencies in this state. The commissioner can share confidential information among these sources if the recipient agrees to maintain the confidentiality of the information.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This bill is identical to the companion that passed out of the Senate. The bill protects the consumer by helping to ensure that insurers are financially solvent, and protects the confidentiality of information.

Testimony Against: None.

Testified: Bill Daley, Office of the Insurance Commissioner (pro); Larry Shannon, WSTLA (pro).