
SUBSTITUTE SENATE BILL 5743

State of Washington

64th Legislature

2015 Regular Session

By Senate Financial Institutions & Insurance (originally sponsored by Senators Fain, Hobbs, Benton, Mullet, and Angel)

READ FIRST TIME 02/20/15.

1 AN ACT Relating to insurance producers, insurers, and title
2 insurance agents activities with customers and potential customers;
3 amending RCW 48.30.140 and 48.30.150; and adding new sections to
4 chapter 48.30 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 48.30.140 and 2009 c 329 s 1 are each amended to
7 read as follows:

8 (1) Except to the extent provided for in an applicable filing
9 with the commissioner then in effect, no insurer, insurance producer,
10 or title insurance agent shall, as an inducement to insurance, or
11 after insurance has been effected, directly or indirectly, offer,
12 promise, allow, give, set off, or pay to the insured or to any
13 employee of the insured, any rebate, discount, abatement, or
14 reduction of premium or any part thereof named in any insurance
15 contract, or any commission thereon, or earnings, profits, dividends,
16 or other benefit, or any other valuable consideration or inducement
17 whatsoever which is not expressly provided for in the policy.

18 (2) Subsection (1) of this section shall not apply as to
19 commissions paid to a licensed insurance producer, or title insurance
20 agent for insurance placed on that person's own property or risks.

1 (3) This section shall not apply to the allowance by any marine
2 insurer, or marine insurance producer, to any insured, in connection
3 with marine insurance, of such discount as is sanctioned by custom
4 among marine insurers as being additional to the insurance producer's
5 commission.

6 (4) This section shall not apply to advertising or promotional
7 programs conducted by insurers(~~(7)~~) or insurance producers(~~(7, or~~
8 ~~title insurance agents)~~) whereby prizes, goods, wares, gift cards,
9 gift certificates, or merchandise, not exceeding (~~twenty-five~~) one
10 hundred dollars in value per person in the aggregate in any
11 consecutive twelve month period, are given to all insureds or
12 prospective insureds under similar qualifying circumstances. This
13 subsection does not apply to title insurers or title insurance
14 agents.

15 (5) This section does not apply to an offset or reimbursement of
16 all or part of a fee paid to an insurance producer as provided in RCW
17 48.17.270.

18 (6)(a) Subsection (1) of this section shall not be construed to
19 prohibit a health carrier or disability insurer from including as
20 part of a group or individual health benefit plan or contract
21 containing health benefits, a wellness program which meets the
22 requirements for an exception from the prohibition against
23 discrimination based on a health factor under the health insurance
24 portability and accountability act (P.L. 104-191; 110 Stat. 1936) and
25 regulations adopted pursuant to that act.

26 (b) For purposes of this subsection: (i) "Health carrier" and
27 "health benefit plan" have the same meaning as provided in RCW
28 48.43.005; and (ii) "wellness program" has the same meaning as
29 provided in 45 C.F.R. 146.121(f).

30 **Sec. 2.** RCW 48.30.150 and 2009 c 329 s 2 are each amended to
31 read as follows:

32 (1) No insurer, insurance producer, title insurance agent, or
33 other person shall, as an inducement to insurance, or in connection
34 with any insurance transaction, provide in any policy for, or offer,
35 or sell, buy, or offer or promise to buy or give, or promise, or
36 allow to, or on behalf of, the insured or prospective insured in any
37 manner whatsoever:

38 (a) Any shares of stock or other securities issued or at any time
39 to be issued on any interest therein or rights thereto; or

1 (b) Any special advisory board contract, or other contract,
2 agreement, or understanding of any kind, offering, providing for, or
3 promising any profits or special returns or special dividends; or

4 (c) Any prizes, goods, wares, gift cards, gift certificates, or
5 merchandise of an aggregate value in excess of (~~twenty-five~~) one
6 hundred dollars per person in the aggregate in any consecutive
7 twelve-month period. This subsection does not apply to title insurers
8 or title insurance agents.

9 (2) Subsection (1) of this section shall not be deemed to
10 prohibit the sale or purchase of securities as a condition to or in
11 connection with surety insurance insuring the performance of an
12 obligation as part of a plan of financing found by the commissioner
13 to be designed and operated in good faith primarily for the purpose
14 of such financing, nor shall it be deemed to prohibit the sale of
15 redeemable securities of a registered investment company in the same
16 transaction in which life insurance is sold.

17 (3)(a) Subsection (1) of this section shall not be deemed to
18 prohibit a health carrier or disability insurer from including as
19 part of a group or individual health benefit plan or contract
20 providing health benefits, a wellness program which meets the
21 requirements for an exception from the prohibition against
22 discrimination based on a health factor under the health insurance
23 portability and accountability act (P.L. 104-191; 110 Stat. 1936) and
24 regulations adopted pursuant to that act.

25 (b) For purposes of this subsection: (i) "Health carrier" and
26 "health benefit plan" have the same meaning as provided in RCW
27 48.43.005; and (ii) "wellness program" has the same meaning as
28 provided in 45 C.F.R. 146.121(f).

29 NEW SECTION. Sec. 3. A new section is added to chapter 48.30
30 RCW to read as follows:

31 (1) An insurance producer may give to an individual, prizes,
32 goods, wares, gift cards, gift certificates, or merchandise not
33 exceeding one hundred dollars in value per person in any consecutive
34 twelve-month period for the referral of insurance business to the
35 insurance producer, if the giving of the prizes, goods, wares, gift
36 cards, gift certificates, or merchandise is not conditioned upon the
37 person who is referred either applying for, or obtaining, or both,
38 insurance through the insurance producer.

1 (2) The payment for the referral must not be in cash, currency,
2 bills, coins, check, or by money order.

3 (3) Referral activities authorized in this section are exempt
4 from RCW 48.30.140 and 48.30.150.

5 NEW SECTION. **Sec. 4.** A new section is added to chapter 48.30
6 RCW to read as follows:

7 (1) An insurance producer may sponsor events for, or make
8 contributions to, not-for-profit organizations, if the sponsorship or
9 contribution is not conditioned upon the organization either applying
10 for, obtaining, or both, insurance through the insurance producer.

11 (2) Sponsorship and charitable contribution activities authorized
12 in this section are exempt from RCW 48.30.140 and 48.30.150.

--- END ---