

FINAL BILL REPORT

HB 2550

C 227 L 02

Synopsis as Enacted

Brief Description: Applying for a license or solicitation permit from the insurance commissioner.

Sponsors: By Representatives McIntire, Benson, Santos and Kenney; by request of Insurance Commissioner.

House Committee on Financial Institutions & Insurance
Senate Committee on Labor, Commerce & Financial Institutions

Background:

Some applicants for insurance licenses are required by law to provide fingerprints to the Office of the Insurance Commissioner (OIC). The OIC, in turn, submits the fingerprints to the Washington State Patrol (WSP) and the Federal Bureau of Investigation (FBI) for the purpose of completing criminal history background checks on the applicants. The FBI has recently taken the position that it cannot lawfully provide the OIC with an applicant's criminal history absent specific statutory authorization to do so. While state law does provide for the collection of fingerprints, it does not explicitly authorize their use by the FBI or the WSP for the purpose of conducting background checks.

Insurance regulations do not authorize either fingerprinting or criminal background checks with respect to licensing applications for the following categories of insurance professionals:

surplus lines brokers; operators of premium finance companies; viatical settlement brokers; and viatical settlement providers.

Summary:

The OIC is explicitly authorized to submit a licensing applicant's fingerprints to the WSP and the FBI for the purpose of obtaining a criminal history background check. Applicants are to pay any fees associated with the completion of such background checks.

A person applying for a license as a surplus lines broker or to operate a premium finance company must provide fingerprints and other specified background information as required by the commissioner.

Applicants for licensing as viatical settlement brokers or viatical settlement providers must provide fingerprints and submit to criminal history background checks.

Statutory language is clarified through technical changes in terminology.

Votes on Final Passage:

House 98 0

Senate 46 1

Effective: March 28, 2002