

SHB 2404 - S AMD TO HEA COMM AMD (S5589.1) **331**
By Senator Jacobsen

1 On page 6, after line 33 of the amendment, insert the following:

2 "Sec. 7. RCW 48.02.190 and 2004 c 260 s 22 are each amended to
3 read as follows:

4 (1) As used in this section:

5 (a) "Organization" means every insurer, as defined in RCW
6 48.01.050, having a certificate of authority to do business in this
7 state and every health care service contractor or (~~(self-funded))~~
8 self-funded multiple employer welfare arrangement registered to do
9 business in this state, and every retainer health care practice
10 operating in this state. "Class one" organizations shall consist of
11 all insurers as defined in RCW 48.01.050. "Class two" organizations
12 shall consist of all organizations registered under provisions of
13 chapter 48.44 RCW. "Class three" organizations shall consist of self-
14 funded multiple employer welfare arrangements as defined in RCW
15 48.125.010 and retainer health care practices as defined in section 2
16 of this act.

17 (b)(i) "Receipts" means (A) net direct premiums consisting of
18 direct gross premiums, as defined in RCW 48.18.170, paid for insurance
19 written or renewed upon risks or property resident, situated, or to be
20 performed in this state, less return premiums and premiums on policies
21 not taken, dividends paid or credited to policyholders on direct
22 business, and premiums received from policies or contracts issued in
23 connection with qualified plans as defined in RCW 48.14.021, and (B)
24 prepayments to health care service contractors as set forth in RCW
25 48.44.010(3) (~~(or))~~, participant contributions to self-funded multiple
26 employer welfare arrangements as defined in RCW 48.125.010, or retainer
27 fees as defined in section 2 of this act less experience rating
28 credits, dividends, prepayments returned to subscribers, and payments
29 for contracts not taken.

1 (ii) Participant contributions, under chapter 48.125 RCW, and
2 retainer fees, under section 2 of this act, used to determine the
3 receipts in this state under this section shall be determined in the
4 same manner as premiums taxable in this state are determined under RCW
5 48.14.090.

6 (2) The annual cost of operating the office of insurance
7 commissioner shall be determined by legislative appropriation. A pro
8 rata share of the cost shall be charged to all organizations. Each
9 class of organization shall contribute sufficient in fees to the
10 insurance commissioner's regulatory account to pay the reasonable
11 costs, including overhead, of regulating that class of organization.

12 (3) Fees charged shall be calculated separately for each class of
13 organization. The fee charged each organization shall be that portion
14 of the cost of operating the insurance commissioner's office, for that
15 class of organization, for the ensuing fiscal year that is represented
16 by the organization's portion of the receipts collected or received by
17 all organizations within that class on business in this state during
18 the previous calendar year: PROVIDED, That the fee shall not exceed
19 one-eighth of one percent of receipts: PROVIDED FURTHER, That the
20 minimum fee shall be one thousand dollars.

21 (4) The commissioner shall annually, on or before June 1, calculate
22 and bill each organization for the amount of its fee. Fees shall be
23 due and payable no later than June 15 of each year: PROVIDED, That if
24 the necessary financial records are not available or if the amount of
25 the legislative appropriation is not determined in time to carry out
26 such calculations and bill such fees within the time specified, the
27 commissioner may use the fee factors for the prior year as the basis
28 for the fees and, if necessary, the commissioner may impose
29 supplemental fees to fully and properly charge the organizations. The
30 penalties for failure to pay fees when due shall be the same as the
31 penalties for failure to pay taxes pursuant to RCW 48.14.060. The fees
32 required by this section are in addition to all other taxes and fees
33 now imposed or that may be subsequently imposed.

34 (5) All moneys collected shall be deposited in the insurance
35 commissioner's regulatory account in the state treasury which is hereby
36 created.

37 (6) Unexpended funds in the insurance commissioner's regulatory
38 account at the close of a fiscal year shall be carried forward in the

1 insurance commissioner's regulatory account to the succeeding fiscal
2 year and shall be used to reduce future fees. During the 2003-2005
3 fiscal biennium, the legislature may transfer from the insurance
4 commissioner's regulatory account to the state general fund such
5 amounts as reflect excess fund balance in the account."

6 Renumber the remaining sections consecutively and correct any
7 internal references accordingly.

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8 On page 8, line 2 of the title amendment, after "48.44.010" insert
9 "and 48.02.190"

EFFECT: Retainer health care practice contribute to OIC regulatory
account fund.

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