

# FINAL BILL REPORT

## EHB 1561

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Synopsis as Enacted

**Brief Description:** Prohibiting discrimination in life insurance based on lawful travel destinations.

**Sponsors:** By Representatives Appleton, Roach, Santos, Kirby, Schual-Berke, Condotta, Williams and Chase.

**House Committee on Financial Institutions & Insurance**

**Senate Committee on Financial Institutions, Housing & Consumer Protection**

**Background:**

The Office of the Insurance Commissioner (OIC) is responsible for the regulation of life insurance in the state of Washington. The OIC is authorized to regulate both the rates and contracts of the companies doing business in this state.

Insurers are not allowed to make or permit any unfair discrimination between insureds or subjects of insurance that have "substantially like insuring, risk, and exposure factors, and expense elements" in contract terms, rates or benefits. A life insurer is allowed to "fairly" discriminate between individuals having unequal expectation of life.

**Summary:**

Generally, a life insurer may not take the following actions if the actions are based upon the applicant or insured person's past or future lawful travel destinations:

- deny or refuse to accept an application for insurance;
- refuse to insure;
- refuse to renew;
- cancel;
- restrict;
- otherwise terminate a policy of insurance; or
- charge a different rate for the same coverage.

A life insurer may exclude or limit coverage of specific lawful travel, or charge a differential rate for the coverage, when bona fide statistical differences in risk or exposure have been substantiated.

**Votes on Final Passage:**

House	96	0	
Senate	49	0	(Senate amended)
House	94	1	(House concurred)

**Effective:** July 24, 2005