

SENATE BILL REPORT

SB 5042

As Reported by Senate Committee On:
Financial Institutions & Insurance, January 19, 2017

Title: An act relating to authorizing funeral planning and funeral services as noninsurance benefits under group life and disability insurance policies.

Brief Description: Authorizing funeral planning and funeral services as noninsurance benefits under group life and disability insurance policies.

Sponsors: Senators Angel, Hobbs and Wellman.

Brief History:

Committee Activity: Financial Institutions & Insurance: 1/19/17, 1/19/17 [DP].

Brief Summary of Bill

- Adds funeral planning and funeral services to the list of noninsurance benefits a life insurer or disability insurer may provide.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass.

Signed by Senators Angel, Chair; Mullet, Ranking Minority Member; Fain, Hobbs and Kuderer.

Staff: Jeff Olsen (786-7428)

Background: The Office of the Insurance Commissioner (OIC) regulates insurance providers in Washington, including individual and group life insurers and disability insurers. A life insurer or disability insurer may include certain noninsurance benefits as part of a policy including will preparation, financial and estate planning, probate and estate settlement, grief counseling, and other services identified by the Commissioner. Group life insurance refers to a policy that insures the lives of more than one individual as part of a specified group allowed by statute. Disability insurance refers to a policy that pays benefits if the insured becomes partially or fully disabled and unable to work.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: Funeral planning and funeral services are added to the benefits a life insurer or disability insurer may include as part of a policy, with the prior approval of the OIC.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: Dealing with an untimely death can be a very stressful and emotional issue; it is a time when a person needs help. The bill would allow for insurers to offer coverage for funeral planning and services, making this a good optional benefit to offer to customers.

Persons Testifying: PRO: Senator Angel, Prime Sponsor; Steve Buckner, Metlife.

Persons Signed In To Testify But Not Testifying: No one.