

SHB 1075 - S AMD 412

By Senator Van De Wege

ADOPTED 04/16/2019

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 48.30.140 and 2015 c 272 s 1 are each amended to
4 read as follows:

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

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

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

23 (4) This section shall not apply to advertising or promotional
24 programs conducted by insurers or insurance producers whereby prizes,
25 goods, wares, gift cards, gift certificates, or merchandise, not
26 exceeding one hundred dollars in value per person in the aggregate in
27 any twelve-month period, are given to all insureds or prospective
28 insureds under similar qualifying circumstances. This subsection does
29 not apply to title insurers or title insurance agents.

30 (5) This section does not apply to an offset or reimbursement of
31 all or part of a fee paid to an insurance producer as provided in RCW
32 48.17.270.

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

9 (b) For purposes of this subsection: (i) "Health carrier" and
10 "health benefit plan" have the same meaning as provided in RCW
11 48.43.005; and (ii) "wellness program" has the same meaning as
12 provided in 45 C.F.R. 146.121(f).

13 (7) Subsection (1) of this section does not apply to a payment by
14 an insurer to offset documented expenses incurred by a group
15 policyholder in changing coverages from one insurer to another.
16 Insurers shall describe any such payment in the group insurance
17 policy or in an applicable filing with the commissioner. If an
18 implementation credit is given to a group, the implementation credit
19 is part of the premium for the purposes of RCW 48.14.020 and
20 48.14.0201. This exception to subsection (1) of this section does not
21 apply to "medicare supplemental insurance" or "medicare supplemental
22 insurance policies" as defined in chapter 48.66 RCW.

23 (8) Subsection (7) of this section does not apply to small groups
24 as defined in RCW 48.43.005.

25 **Sec. 2.** RCW 48.30.150 and 2015 c 272 s 2 are each amended to
26 read as follows:

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

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

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

38 (c) Any prizes, goods, wares, gift cards, gift certificates, or
39 merchandise of an aggregate value in excess of one hundred dollars

1 per person in the aggregate in any consecutive twelve-month period.
2 This subsection (1)(c) does not apply to title insurers or title
3 insurance agents.

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

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

20 (b) For purposes of this subsection: (i) "Health carrier" and
21 "health benefit plan" have the same meaning as provided in RCW
22 48.43.005; and (ii) "wellness program" has the same meaning as
23 provided in 45 C.F.R. 146.121(f).

24 (4) Subsection (1) of this section does not prohibit an insurer
25 from issuing any payment to offset documented expenses incurred by a
26 group policyholder in changing coverages from one insurer to another
27 as provided in RCW 48.30.140. If an implementation credit is given to
28 a group, the implementation credit is part of the premium for the
29 purposes of RCW 48.14.020 and 48.14.0201. This exception to
30 subsection (1) of this section does not apply to "medicare
31 supplemental insurance" or "medicare supplemental insurance policies"
32 as defined in chapter 48.66 RCW.

33 (5) Subsection (4) of this section does not apply to small groups
34 as defined in RCW 48.43.005.

35 NEW SECTION. Sec. 3. This act takes effect July 1, 2020."

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1 On page 1, line 1 of the title, after "insurance;" strike the
2 remainder of the title and insert "amending RCW 48.30.140 and
3 48.30.150; and providing an effective date."

EFFECT: Changes the effective date to July 1, 2020.

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