

# HOUSE BILL REPORT

## SB 6396

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*As Reported By House Committee on:  
Financial Institutions & Insurance*

**Title:** An act relating to persons making contracts of insurance with unauthorized insurance providers.

**Brief Description:** Making certain unauthorized insurance brokers personally liable for contracts of insurance.

**Sponsor(s):** Senators von Reichbauer, Pelz, Erwin, Moore, Vognild and Conner.

**Brief History:**

Reported by House Committee on:  
Financial Institutions & Insurance, February 25, 1992,  
DP.

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**HOUSE COMMITTEE ON  
FINANCIAL INSTITUTIONS & INSURANCE**

**Majority Report:** *Do pass.* Signed by 9 members: Representatives Dellwo, Chair; Broback, Ranking Minority Member; Mielke, Assistant Ranking Minority Member; Anderson; Inslee; R. Johnson; Paris; Schmidt; and Winsley.

**Staff:** John Conniff (786-7119).

**Background:** Insurance companies must obtain a certificate of authority to transact business within the state. Insurance companies without such a certificate are unauthorized insurers. Under limited circumstances, an unauthorized insurance company may provide insurance for risks within the state. However, such insurance may only be procured or provided through a properly licensed surplus lines broker.

**Summary of Bill:** A person, other than a duly licensed surplus line broker acting in good faith under his or her license, who makes a contract of insurance on behalf of an unauthorized insurer is personally liable for the performance of the contract.

**Fiscal Note:** Not requested.

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

*Testimony For:* None.

*Testimony Against:* None.

*Witnesses:* None.