

HOUSE BILL REPORT

HB 2600

As Reported By House Committee On:

Financial Institutions & Insurance

Title: An act relating to control of domestic insurance companies.

Brief Description: Controlling domestic insurance companies.

Sponsors: Representatives Santos, Bush and Tokuda.

Brief History:

Committee Activity:

Financial Institutions & Insurance: 1/28/00, 2/1/00 [DP].

Brief Summary of Bill

A notice of disclaimer of control must be filed with the appropriate insurer in addition to filing it with the Insurance Commissioner.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass. Signed by 12 members: Representatives Benson, Republican Co-Chair; Hatfield, Democratic Co-Chair; Bush, Republican Vice Chair; McIntire, Democratic Vice Chair; Barlean; Cairnes; DeBolt; Keiser; Quall; Santos; Sullivan and Talcott.

Staff: Charlie Gavigan (786-7340).

Background:

In 1993, the Washington Insurance Code was amended to conform to the NAIC's recommended financial regulation standards. These changes included provisions regulating insurance holding companies, which are insurance companies and affiliates. When a person is acquiring control of an insurer or affiliate, that person must comply with the requirements of the Insurer Holding Company Act. Control includes owning 10 percent or more of the voting securities of the company. A person can disclaim control by filing a notice of disclaimer with the Insurance Commissioner.

Summary of Bill:

The notice disclaiming control of an insurer under the Insurer Holding Company Act must be filed with the applicable insurer in addition to the current requirement to file the notice with the Insurance Commissioner.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: It is important for insurance companies to receive a copy of the disclaimer of ownership sent to the Insurance Commissioner since the insurer is the subject of the potential transaction.

Testimony Against: None.

Testified: Edward Southon, Safeco Insurance Co.