

# SENATE BILL REPORT

## SB 6334

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As Reported By Senate Committee On:  
Health & Long-Term Care, February 4, 2004

**Title:** An act relating to prohibiting civil or criminal liabilities or penalties for actions related to the Washington state health insurance pool.

**Brief Description:** Prohibiting civil or criminal liabilities or penalties for actions related to the Washington state health insurance pool.

**Sponsors:** Senators Deccio, Thibaudeau, Winsley and Pflug.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 1/22/04, 2/4/04 [DPS].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** That Substitute Senate Bill No. 6334 be substituted therefor, and the substitute bill do pass.

Signed by Senators Deccio, Chair; Winsley, Vice Chair; Brandland, Franklin, Keiser, Parlette and Thibaudeau.

**Staff:** Jonathan Seib (786-7427)

**Background:** The Washington State Health Insurance Pool (WSHIP) is the state-facilitated insurance program for high-risk individuals who are unable to obtain coverage in the individual market. It is governed by a ten-member volunteer board of directors, six of whom are appointed by the Governor and four of whom are selected from among the health carriers that make up the membership of the pool. The Insurance Commissioner is also a non-voting, ex officio member. WSHIP's day-to-day operations are overseen by an executive director hired by the board.

Legal counsel retained by the board recently reviewed the board's operations, including its enabling statutes. It suggested that current law did not provide the degree of civil and criminal immunity typically afforded entities such as this, concluding that although the existing statute is generally quite broad, it lacks clarity and contains language that could lead to an inappropriately narrow interpretation by a court. There is concern that this could interfere with WSHIP operations.

**Summary of Substitute Bill:** The current law regarding immunity for actions taken in connection with the operation of the Washington State Health Insurance Pool is changed to provide that the pool, its members, board directors, officers, and employees, and the insurance commissioner and his or her representatives or employees, are not liable for good faith actions taken in the performance of the powers and duties set forth in the WSHIP enabling statute.

**Substitute Bill Compared to Original Bill:** The substitute rewords the bill to remove potential ambiguities.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** The current law governing WSHIP immunity was not updated when the board was reconstituted under the individual market reform legislation. WSHIP staff is not currently protected. Existing law might also be interpreted to subject the volunteer board to liability. The board unanimously voted to support this legislation.

**Testimony Against:** None.

**Testified:** PRO: Sean Corry, Vice-Chair, Washington State Health Insurance Pool Board.