

SENATE BILL REPORT

EHB 1081

As of March 15, 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: Representatives Kirby and Vick.

Brief History: Passed House: 2/28/17, 98-0.

Committee Activity: Financial Institutions & Insurance: 3/14/17.

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

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.

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.

An insurer must disclose that funeral planning and funeral services do not constitute an insurance funded prearrangement contract.

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.

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: The list of noninsurance benefits that may be offered by life insurers and disability insurers has been added to over time, including recently added grief counseling. This bill adds an additional benefit of funeral planning and funeral services. Funeral home directors and insurers had some concerns with the original bill that has been addressed in the substitute bill.

Persons Testifying: PRO: Representative Steve Kirby, Prime Sponsor; Steve Buckner, MetLife.

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