

(2) Section 4, chapter 19, Laws of 1983 1st ex. sess., section 5, chapter 161, Laws of 1984, section 91, chapter 287, Laws of 1984 and RCW 43-200.040;

(3) Section 5, chapter 19, Laws of 1983 1st ex. sess. as last amended by section 4 of this act and RCW 43.200.050;

(4) Section 6, chapter 19, Laws of 1983 1st ex. sess., section 7, chapter 161, Laws of 1984 and RCW 43.200.060;

(5) Section 14, chapter 19, Laws of 1983 1st ex. sess. and RCW 43-200.090;

(6) Section 9, chapter 161, Laws of 1984 and RCW 43.200.100;

(7) Section 10, chapter 161, Laws of 1984 and RCW 43.200.110;

(8) Section 11, chapter 161, Laws of 1984 and RCW 43.200.120;

(9) Section 12, chapter 161, Laws of 1984 and RCW 43.200.130;

(10) Section 13, chapter 161, Laws of 1984 and RCW 43.200.140;

(11) Section 2, chapter 293, Laws of 1985, section 85, chapter 505, Laws of 1987 and RCW 43.200.142;

(12) Section 3, chapter 293, Laws of 1985 and RCW 43.200.144;

(13) Section 14, chapter 161, Laws of 1984 as last amended by section 6 of this act and RCW 43.200.150;

(14) Section 5, chapter 293, Laws of 1985 and RCW 43.200.160; and

(15) Section 6, chapter 293, Laws of 1985 and RCW 43.200.904.

NEW SECTION. Sec. 8. If the Hanford federal agreement and consent order announced February 27, 1989, is executed within ninety days after the end of the legislative session in which this bill is passed by the legislature, section 7 (1), (2), (4) through (12), (14), and (15) of this act shall take effect ninety days after the end of the legislative session in which this bill is passed by the legislature. If the Hanford federal agreement and consent order is not executed during that ninety-day period, section 7 (1), (2), (4) through (12), (14), and (15) of this act shall take effect on the date the agreement and consent order is executed, or June 30, 1990, whichever is earlier. Section 7 (3) and (13) of this act shall take effect June 30, 1994.

Passed the Senate April 17, 1989.

Passed the House April 11, 1989.

Approved by the Governor May 11, 1989.

Filed in Office of Secretary of State May 11, 1989.

CHAPTER 323

[Substitute Senate Bill No. 5357]

INSURANCE EDUCATION PROVIDERS—REGULATION

AN ACT Relating to insurance education providers; amending RCW 48.17.560 and 48-17.120; adding new sections to chapter 48.17 RCW; prescribing penalties; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 48.17 RCW to read as follows:

It is unlawful for any unauthorized person to remove, reproduce, duplicate, or distribute in any form, any question(s) used by the state of Washington to determine the qualifications and competence of insurance agents, brokers, solicitors, or adjusters required by Title 48 RCW to be licensed. This section shall not prohibit an insurance education provider from creating and using sample test questions in courses approved pursuant to RCW 48.17.150.

Any person violating this section shall be subject to penalties as provided by RCW 48.01.080 and 48.17.560.

NEW SECTION. Sec. 2. A new section is added to chapter 48.17 RCW to read as follows:

"Insurance education provider" means any insurer, health care service contractor, health maintenance organization, professional association, educational institution created by Washington statutes, or vocational school licensed under Title 28C RCW or independent contractor to which the commissioner has granted authority to conduct and certify completion of a course satisfying the insurance education requirements of RCW 48.17.150.

Sec. 3. Section .17.56, chapter 79, Laws of 1947 as last amended by section 8, chapter 266, Laws of 1975 1st ex. sess. and RCW 48.17.560 are each amended to read as follows:

After hearing or upon stipulation by the licensee or insurance education provider, and in addition to or in lieu of the suspension, revocation, or refusal to renew any such license or insurance education provider approval, the commissioner may levy a fine upon the licensee or insurance education provider. (1) For each offense ~~((m))~~ the fine shall be an amount ~~((not less than fifty dollars and))~~ not more than ~~((five hundred dollars, but in no case more than a total of))~~ one thousand dollars. (2) The order levying such fine shall specify ~~((the period within which))~~ that the fine shall be fully paid ~~((; and which period shall be))~~ not less than fifteen nor more than thirty days from the date of the order. (3) Upon failure to pay any such fine when due, the commissioner shall revoke the licenses of the licensee or the approval(s) of the insurance education provider, if not already revoked ~~((, and))~~. The fine shall be recovered in a civil action brought ~~((m))~~ on behalf of the commissioner by the attorney general. Any fine so collected shall be paid by the commissioner to the state treasurer for the account of the general fund.

NEW SECTION. Sec. 4. A new section is added to chapter 48.17 RCW to read as follows:

If an investigation of any provider culminates in a finding by the commissioner or by any court of competent jurisdiction, that the provider has failed to comply with or has violated any statute or regulation pertaining to

insurance education, the provider shall pay the expenses reasonably attributable and allocable to such investigation.

(1) The commissioner shall calculate such expenses and render a bill therefor by registered mail to the provider. Within thirty days after receipt of such bill, the provider shall pay the full amount to the commissioner. The commissioner shall transmit such payment to the state treasurer. The state treasurer shall credit the payment to the office of the insurance commissioner regulatory account, treating such payment as recovery of a prior expenditure.

(2) In any action brought under this section, if the insurance commissioner prevails, the court may award to the office of the insurance commissioner all costs of the action, including a reasonable attorneys' fee to be fixed by the court.

NEW SECTION. Sec. 5. A new section is added to chapter 48.17 RCW to read as follows:

In addition to the regulatory requirements imposed pursuant to RCW 48.17.150, the commissioner may require each insurance education provider to post a bond, cash deposit, or irrevocable letter of credit. Every insurance education provider, other than an insurer, health care service contractor, health maintenance organization, or educational institution established by Washington statutes, is subject to the requirement.

(1) The provider shall file with each request for course approval and shall maintain in force while so approved, the bond, cash deposit, or irrevocable letter of credit in favor of the state of Washington, according to criteria which the commissioner shall establish by regulation. The amount of such bond, cash deposit, or irrevocable letter of credit, shall not exceed five thousand dollars for the provider's first approved course and one thousand dollars for each additional approved course.

(2) Proceeds from the bond, cash deposit, or irrevocable letter of credit shall inure to the commissioner for payment of investigation expenses or for payment of any fine ordered per Washington statutes or regulations governing insurance education: PROVIDED, That recoverable investigation expenses or fines shall not be limited to the amount of such required bond, cash deposit, or irrevocable letter of credit.

Sec. 6. Section .17.12, chapter 79, Laws of 1947 as last amended by section 2, chapter 111, Laws of 1981 and RCW 48.17.120 are each amended to read as follows:

(1) Each such examination shall be of sufficient scope (~~reasonably~~) and difficulty to test the applicant's knowledge relative to the kinds of insurance which may be dealt with under the license applied for, and of the duties and responsibilities of, and laws of this state applicable to, such a licensee, and so as reasonably to assure that a passing score indicates that the applicant is qualified from the standpoint of knowledge and education.

(2) Examination as to ocean marine and related coverages may be waived by the commissioner as to any applicant deemed by the commissioner to be qualified by past experience to deal in such insurances.

(3) The commissioner shall prepare, or approve, and make available to insurers, general agents, brokers, agents, and applicants a printed manual specifying in general terms the subjects which may be covered in any examination for a particular license.

NEW SECTION. Sec. 7. A new section is added to chapter 48.17 RCW to read as follows:

(1) The commissioner may require insurance education providers to furnish specific information regarding their curricula, faculty, methods of monitoring attendance, and other matters reasonably related to providing insurance education under this chapter. The commissioner may grant approvals to such providers who demonstrate the ability to conduct and certify completion of one or more courses satisfying the insurance education requirements of RCW 48.17.150.

(2) In granting approvals for courses required by RCW 48.17.150(1)(d):

(a) The commissioner may require the availability of a licensed agent with appropriate experience on the premises whenever instruction is being offered; and

(b) The commissioner shall not deny approval to any provider on the grounds that the proposed method of education employs nontraditional teaching techniques, such as substituting taped lectures for live instruction, offering instruction without fixed schedules, or providing education at individual learning rates.

NEW SECTION. Sec. 8. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1989.

Passed the Senate April 17, 1989.

Passed the House April 11, 1989.

Approved by the Governor May 11, 1989.

Filed in Office of Secretary of State May 11, 1989.

CHAPTER 324

[Senate Bill No. 5536]

STATE EMPLOYEES' BENEFITS BOARD—MEMBERSHIP

AN ACT Relating to the state employees' benefits board; and amending RCW 41.05.055.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 7, chapter 107, Laws of 1988 and RCW 41.05.055 are each amended to read as follows: