

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Placed on the Consent Calendar
Vote:	7 - 0 - 0
Yeas:	Bonamici, Galizio, Gilliam, Girod, Nelson, Riley, Holvey
Nays:	0
Exc.:	0
Prepared By:	Steve Dixon, Administrator
Meeting Dates:	2/28, 3/14

WHAT THE MEASURE DOES: Permits insurer to issue liability insurance at preferred rates or premium to construction contractors without violating prohibition against fictitious groupings.

ISSUES DISCUSSED:

- Fictitious grouping laws and their purpose in the insurance code
- Impact of legislation on insurance costs and availability on construction contractors

EFFECT OF COMMITTEE AMENDMENT: The amendment provides technical adjustments which have no policy impact

BACKGROUND: This measure streamlines the insurance division's rate filing requirements for construction contractor's general liability coverage. Under current law insurers may not be able to issue liability insurance at preferred rates because of fictitious groupings law. Fictitious groupings are artificial groupings of persons that may unjustifiably cause benefit to persons who fall inside of a particular fictitious group. Fictitious groupings laws are to protect consumers against discrimination in insurance on the basis of race, economic status and other areas of potential discrimination.

House Bill 2751 specifically permits insurers to provide liability insurance at preferred rates or premiums to construction contractors without violating prohibitions against fictitious groupings.