Multiple Agency Fiscal Note Summary

Bill Number: 5331 SB	**Title:** Insurance code violations

Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	49,000	0	0	58,000	0	0	58,000
Total $	**0**	**0**	**49,000**	**0**	**0**	**58,000**	**0**	**0**	**58,000**

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	No fiscal impact					
Loc School dist-SPI						
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	.3	0	0	49,000	.3	0	0	58,000	.3	0	0	58,000
Office of Insurance Commissioner	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**0.3**	**0**	**0**	**49,000**	**0.3**	**0**	**0**	**58,000**	**0.3**	**0**	**0**	**58,000**

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Jason Brown, OFM	**Phone:** (360) 742-7277	**Date Published:** Final 1/29/2025

Judicial Impact Fiscal Note

Bill Number: 5331 SB	Title: Insurance code violations	Agency: 055-Administrative Office of the Courts

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note fo Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

Legislative Contact	John Kim	Phone: 360-786-7453	Date: 01/22/2025
Agency Preparation:	Devon Dieckman	Phone: 3607044020	Date: 01/29/2025
Agency Approval:	Chris Stanley	Phone: 360-357-2406	Date: 01/29/2025
OFM Review:	Gaius Horton	Phone: (360) 819-3112	Date: 01/29/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

The amendments allow a court commissioner to order payment(s) of restitution "when a person regulated under this code possesses or controls, directly or indirectly, such fees, money, funds, or other property that belongs to, is due to, or is owed to another person."

II. B - Cash Receipts Impact

None

II. C - Expenditures

No fiscal impact to the Administrative Office of the Courts as this bill does not affect current AOC or court processes.

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

NONE

III. B - Expenditure By Object or Purpose (County)

NONE

III. C - Expenditure By Object or Purpose (City)

NONE

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

None

Individual State Agency Fiscal Note

Bill Number: 5331 SB	Title: Insurance code violations	Agency: 100-Office of Attorney General

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
Legal Services Revolving Account-State 405-1	20,000	29,000	49,000	58,000	58,000
Total $	20,000	29,000	49,000	58,000	58,000

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
Account					
Legal Services Revolving Account-State 405-1	20,000	29,000	49,000	58,000	58,000
Total $	20,000	29,000	49,000	58,000	58,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☒ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	John Kim	Phone: 360-786-7453	Date: 01/22/2025
Agency Preparation:	Chad Standifer	Phone: 3605863650	Date: 01/23/2025
Agency Approval:	Joe Zawislak	Phone: 360-586-3003	Date: 01/23/2025
OFM Review:	Rayanna Evans	Phone: (360) 902-0553	Date: 01/28/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1: Amending RCW 48.02.080. Providing that the Office of the Insurance Commissioner (OIC) may order the payment of restitution, under certain circumstances, in connection with violations of the insurance code, OIC regulations, or OIC orders. The restitution paid shall include eight percent interest and must be paid within 30 days of the OIC order.

Section 2: Amending RCW 48.05.185. Providing that OIC may, in addition to or in lieu of the suspension, revocation or refusal of a certificate of authority, levy penalties upon insurers of not less than $250 and up to $10,000 per violation.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Office of the Insurance Commissioner (OIC). The Attorney General's Office (AGO) Government Compliance & Enforcement Division (GCE) will bill for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

AGO AGENCY ASSUMPTIONS:

OIC will be billed for non-King County rates:
FY 2026: $20,000 for 0.1 Assistant Attorney General FTE (AAG) and 0.1 Paralegal 1 FTE (PL1)
FY 2027 and in each FY thereafter: $29,000 for 0.1 AAG and 0.1 PL1

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Attorney General's Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2025 legislative session.

Location of staffing is assumed to be in a non-King County office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the AGO Government Compliance & Enforcement Division (GCE) Legal Services for the Office of the Insurance Commissioner (OIC):

The AGO will bill OIC for legal services based on the enactment of this bill.

GCE will provide legal advice and litigation support for OIC and will bill OIC for legal services based on the enactment of this bill.

Section 1 of this bill amends RCW 48.02.080 to enable OIC to order the payment of restitution, under certain circumstances, for violations of the insurance code, OIC regulations, and OIC orders.

Section 2 of HB 1199 amends RCW 48.05.185 to allow OIC to levy certain fines on insurers on a per violation basis. GCE does not anticipate that this change will result in any increased legal services.

The authority to order payment of restitution would be new for OIC. OIC assumes that it would be ordered in some appreciable number of cases. GCE does not handle the enforcement litigation for OIC until an order has been entered at the agency level and a party has sought judicial review. Although GCE assumes that a restitution order would not drive additional petitions for judicial review, GCE assumes that the failure of parties to pay ordered restitution would result in an increase in order enforcement actions in superior court to collect the restitution.

GCE assumes that it would receive two additional order enforcement actions in FY 2026, and three additional actions each year thereafter. GCE further assumes that each order enforcement action would utilize an average of 60 AAG hours to litigate to completion. Therefore, GCE assumes that this bill would generate an increase workload of 120 (60 x 2) AAG hours in FY 2026, and 180 (60 x 3) AAG hours beginning in FY 2027 and continuing each year thereafter.

Total non-King County workload impact:
FY 2026: $20,000 for 0.1 Assistant Attorney General FTE (AAG) and 0.1 Paralegal 1 FTE (PL1)
FY 2027 and in each FY thereafter: $29,000 for 0.1 AAG and 0.1 PL1

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
405-1	Legal Services Revolving Account	State	20,000	29,000	49,000	58,000	58,000
		Total $	20,000	29,000	49,000	58,000	58,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
A-Salaries and Wages	14,000	20,000	34,000	40,000	40,000
B-Employee Benefits	4,000	6,000	10,000	12,000	12,000
E-Goods and Other Services	2,000	3,000	5,000	6,000	6,000
Total $	20,000	29,000	49,000	58,000	58,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
Assistant Attorney General	132,912	0.1	0.1	0.1	0.1	0.1
Management Analyst 5	98,040	0.1	0.1	0.1	0.1	0.1
Paralegal 1	71,148	0.1	0.1	0.1	0.1	0.1
Total FTEs		0.3	0.3	0.3	0.3	0.3

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Government Compliance & Enforcement Division (GCE)	20,000	29,000	49,000	58,000	58,000
Total $	20,000	29,000	49,000	58,000	58,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5331 SB	Title: Insurance code violations	Agency: 160-Office of Insurance Commissioner

Part I: Estimates

[X] **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

[ ] If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

[ ] If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

[ ] Capital budget impact, complete Part IV.

[ ] Requires new rule making, complete Part V.

Legislative Contact:	John Kim	Phone: 360-786-7453	Date: 01/22/2025
Agency Preparation:	Tyler Langford	Phone: 360-725-7173	Date: 01/29/2025
Agency Approval:	Bryon Welch	Phone: 360-725-7037	Date: 01/29/2025
OFM Review:	Jason Brown	Phone: (360) 742-7277	Date: 01/29/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 authorizes the OIC to order payment of restitution when a person regulated under the insurance code possesses or controls, directly indirectly, such fees, money, funds, or other property that belongs to, is due to, or is owed to another person.

The OIC currently issues revocation and consent orders against individuals and business entities regulated under Chapter 48.17 RCW. A portion of these enforcement actions involve circumstances where individuals and business entities possess or control, directly or indirectly, such fees, money, funds, or other property that belong to, is due to, or is owed to another person.

Because this bill adds restitution authority to the OIC's already-existing enforcement action caseload, section 1 has no fiscal impact.

Section 2 of the bill allows the OIC to assess per-violation fines against insurers, but the OIC does not anticipate an overall change in how it determines the amount of fines levied against insurers, so section 2 will have no fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

NONE.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

NONE.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

NONE.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.