Individual State Agency Fiscal Note

Bill Number: 6248 SB	Title: Travel insurance	Agency: 160-Office of Insurance Commissioner

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
General Fund-State 001-1		(43,800)	(43,800)	(87,600)	(87,600)
Total $		(43,800)	(43,800)	(87,600)	(87,600)

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.8	1.2	1.0	0.3	0.3
Account					
Insurance Commissioners Regulatory Account-State 138-1	177,664	235,534	413,198	118,442	118,442
Total $	177,664	235,534	413,198	118,442	118,442

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.

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Agency Approval:	Tom Zuvela	Phone: (800) 562-6900	Date: 01/23/2026
OFM Review:	Jason Brown	Phone: (360) 742-7277	Date: 01/28/2026

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 3 details the licensing and registration requirements under which the OIC may issue a limited lines travel insurance producer license and the standards by which a licensed producer may operate.

Section 4 requires travel insurers to pay a premium tax.

Sections 5-8, 12 and 13 detail specific requirements for offering travel insurance, and some actions which are prohibited.?

The bill would take effect on January 1, 2027.

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.

Section 4 states that a travel insurer would pay premium tax as provided in RCW 48.14.020 on travel insurance premiums. Travel-only licensees are most likely to benefit from exemptions in this bill, potentially reducing their licensing, appointment, and affiliation obligations. Multi-line producers are less likely to change due to regulatory compliance or operational convenience. The estimated revenue loss for this travel-only license exemption is $80,180 per biennium.

The bill would also exempt adjusters from licensure and other regulatory requirements. Therefore, the OIC would see increase in unlicensed adjusters for whom the OIC would not collect license, renewal, or affiliation fees. The estimated revenue loss for this adjuster license exemption is $7,420 per biennium.

Therefore, the estimated total revenue loss is $87,600 per biennium (or $43,800 per fiscal year).

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.

Section 3 details the licensing and registration requirements under which the OIC may issue a limited lines travel insurance producer license and the standards by which a licensed producer may operate.

Section 4 requires travel insurers to pay a premium tax.

Sections 5-8, 12 and 13 detail specific requirements for offering travel insurance, and some actions which are prohibited.?

Currently, the OIC investigates violations of the insurance code, Title 48 RCW and brings enforcement actions against entities and individuals who violate the RCW. The bill would take effect on January 1, 2027. The bill would generate 30.00 hours of investigations per case, as well as 40.00 hours of enforcement actions per case, and 50.00 hours for the one hearing.

One-Time Expense(s):

(FY2027) Therefore, the OIC would require 30.00 hours of an Insurance Attorney (IA) for staff/industry inquiries and advice in FY2027.

(FY2027) The OIC anticipates system and database updates because of the bill. Therefore, the agency would require 22.00 hours of an Insurance Technician 4 (IT4), as well 10.5 hours of an Insurance Technician 3 (IT3), as well as 12.00 hours of

a Washington Management Service Manager 3 (WMSM 3), and 12.00 hours of a Functional Program Analyst 4 (FPA4) in FY2027.

(FY2027) The OIC anticipates an increase in workload in rate filings, in managing provider networks, and in reviewing forms. The agency would require 6.00 hours of an Actuary 4 (A4), 174.00 hours of an Actuary 3 (A3), 290.00 hours of an Actuary 2 (A2), 542.00 hours of an Actuarial Analyst (AA3), 176.00 hours of Actuarial Analyst 2 (AA2), 2.00 hours of a Washington Management Service 3 (WMS 3), 15.00 hours of a Functional Program Analyst 3 (FPA3), and 15.00 hours of a FPA4 in FY2027.

(FY2027) Additionally, the OIC would have a fiscal impact below $50,000 due to required modifications to premium tax collection to account for travel insurers. The agency estimates 6.2 months of development, test and delivery of the new tax form, with an estimated internal budget estimate of $17,543.

In summation, total (potential one-time expense) for the OIC are:

IA: 30.00 hours (inquiries and advice)

IT4: 22.00 hours (10hrs education-materials/12hrs system updates)

IT3: 10.50 hours (updates)

FPA4: 12.00 hours (system updates)

WMS3: 12.00 hours (system updates)

A4: 6.00 hours (file updates)

A3: 174.00 hours (file updates)

A2: 290.00 hours (file updates)

AA3: 542.00 hours (file updates)

AA2: 176.00 hours (file updates)

WMS3: 2.00 hours (file updates)

FPA3: 15.00 hours (file updates)

FPA4: 15.00 hours (file updates)

Ongoing Expense(s):

(FY2027) Therefore, the OIC would require 100.00 hours of an Investigator 3 (IN3), as well as 60.00 hours of an Insurance Attorney, and 20.00 hours of a Paralegal starting in FY2027 and thereafter.

(FY2027) The OIC anticipates a minor increase (4%) in calls, written inquiries, and complaints involving travel related contacts. Therefore, the agency would require 19.9 hours of an FPA3, as well as 33.3 hours of an IT3 in FY2027 and in thereafter.

(FY2027) The OIC anticipates an increase in workload in rate filings, in managing provider networks, and in reviewing forms. The agency would require 4.00 hours of an A4, 31.00 hours of an A3, 83.00 hours of an A2, 148.00 hours of an AA3, 35.00 hours of AA2, 2.00 hours of a WMS 3, 2.00 hours of a FPA3, and 2.00 hours of a FPA4 in FY2027 and

thereafter.

In summation, total potential on-going expenses for the OIC are:

IN3: 100.00 hours (90hrs for investigations/10hrs for hearing)

Insurance Attorney: 60.00 hours (30hrs for enforcement action/30hrs for hearing)

Paralegal: 20.00 hours (10hrs enforcement actions/10hrs for hearing)

FPA3: 21.9 hours (calls/inquiries/complaints/file updates)

IT3: 33.30 hours (training programs)

A4: 4.00 hours (file updates)

A3: 31.00 hours (file updates)

A2: 83.00 hours (file updates)

AA3: 148.00 hours (file updates)

AA2: 35.00 hours (file updates)

WMS3: 2.00 hours (file updates)

FPA4: 2.00 hours (file updates)

This bill requires complex rulemaking. Various sections throughout chapter 284-17 WAC, relating to producer/adjuster licensing will need to be reviewed and revised to align with the definitions/requirements in sections 2 and 3 of the bill. Additional rulemaking related to unfair trade practices and rate/form filings may be required to align with the new law. Section 9 gives the commissioner rulemaking authority to implement the bill, and also requires repeal of existing rules that are inconsistent with the bill.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
138-1	Insurance Commissioners Regulatory Account	State	177,664	235,534	413,198	118,442	118,442
		Total $	177,664	235,534	413,198	118,442	118,442

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.8	1.2	1.0	0.3	0.3
A-Salaries and Wages	112,863	136,473	249,336	73,436	73,436
B-Employee Benefits	29,268	37,920	67,188	21,318	21,318
C-Professional Service Contracts					
E-Goods and Other Services	35,533	61,141	96,674	23,688	23,688
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	177,664	235,534	413,198	118,442	118,442

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
Actuarial Analyst 2	82,872		0.1	0.1	0.0	0.0
Actuarial Analyst 3	108,780		0.4	0.2	0.1	0.1
Actuary 2	146,316		0.2	0.1	0.1	0.1
Actuary 3	191,964		0.1	0.1	0.0	0.0
Actuary 4	217,152		0.0	0.0		
FPA 3	80,820		0.0	0.0	0.0	0.0
FPA 4	89,316	0.2	0.0	0.1		
Insurance Attorney	106,608		0.1	0.0	0.0	0.0
Insurance Technician 3	58,584		0.0	0.0	0.0	0.0
Insurance Technician 4	64,776		0.0	0.0	0.0	0.0
Investigator 3	91,464		0.1	0.0	0.1	0.1
Paralegal	89,316		0.0	0.0	0.0	0.0
Sr. Policy Analyst	149,352	0.7		0.3		
WMS 3	156,784		0.0	0.0		
Total FTEs		0.8	1.2	1.0	0.3	0.3

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.

This bill requires complex rulemaking. Various sections throughout chapter 284-17 WAC, relating to producer/adjuster licensing will need to be reviewed and revised to align with the definitions/requirements in sections 2 and 3 of the bill. Additional rulemaking related to unfair trade practices and rate/form filings may be required to align with the new law. Section 9 gives the commissioner rulemaking authority to implement the bill, and also requires repeal of existing rules that are inconsistent with the bill.

Ten-Year Analysis

Bill Number	Title	Agency
6248 SB	Travel insurance	160 Office of Insurance Commissioner

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at http://www.ofm.wa.gov/tax/default.asp .

Estimates

☐ **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☐ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	Fiscal Year 2034	Fiscal Year 2035	2026-35 TOTAL
Adjuster License Exemption	001		(3,710)	(3,710)	(3,710)	(3,710)	(3,710)	(3,710)	(3,710)	(3,710)	(3,710)	(33,390)
Travel-only License Exemption	001		(40,090)	(40,090)	(40,090)	(40,090)	(40,090)	(40,090)	(40,090)	(40,090)	(40,090)	(360,810)
Total			**(43,800)**	**(43,800)**	**(43,800)**	**(43,800)**	**(43,800)**	**(43,800)**	**(43,800)**	**(43,800)**	**(43,800)**	**(394,200)**
Biennial Totals		**(43,800)**		**(87,600)**		**(87,600)**		**(87,600)**		**(87,600)**		**(394,200)**

Narrative Explanation (Required for Indeterminate Cash Receipts)

Section 4 states that a travel insurer would pay premium tax as provided in RCW 48.14.020 on travel insurance premiums. Travel-only licensees are most likely to benefit from exemptions in this bill, potentially reducing their licensing, appointment, and affiliation obligations. Multi-line producers are less likely to change due to regulatory compliance or operational convenience. The estimated revenue loss for this travel-only license exemption is $80,180 per biennium.

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Bill Number	Title	Agency
6248 SB	Travel insurance	160 Office of Insurance Commissioner

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