



**Olympia Address:**  
106 Irv Newhouse Building  
PO Box 40404  
Olympia, WA 98504-0404  
Phone: (360) 786-7606  
Toll-Free: 1-800-562-6000  
E-mail: Mike.Padden@leg.wa.gov

## Washington State Senate

**Senator Mike Padden**  
4th Legislative District

**Committees:**  
Law & Justice, *Ranking Minority Member*  
Health & Long-Term Care  
Transportation  
**District Office:**  
5105 E 3rd Ave, Ste 102  
Spokane Valley, WA 99212  
Phone: (509) 921-2460

July 31, 2024

The Honorable Robert W. Ferguson  
Attorney General  
PO Box 40100  
Olympia, WA 98504

Dear Attorney General Ferguson,

As you know, RCW 48.30.110 prohibits insurers and fraternal benefit societies that conduct business in Washington from providing contributions in aid of candidates for the Washington State Office of the Insurance Commissioner. Providing or accepting such contributions is considered a gross misdemeanor. I write to request an informal Attorney General's Opinion to seek clarification on the application RCW 48.30.110 to insurance producers, individuals employed by an insurer, and individual members of a fraternal benefit society.

It has come to my attention that there may be differing interpretations on the application of RCW 48.30.110 to certain individuals potentially involved in insurance transactions. Specifically, confusion was expressed over whether RCW 48.30.110 prohibits contributions from insurance producers, employees of insurance companies, and individual members of fraternal benefit societies. While it is true that certain activities of insurance producers, certain employees of insurers, and members of fraternal benefit societies may coincide with the activities of an insurer or fraternal benefit society, it is not clear whether the individual's status as an insurance producer, employee, or fraternal society member alone would subject them to RCW 48.30.110.

I fully understand that this informal opinion may not be issued in a timeframe that impacts current campaigns for the Office of the Insurance Commissioner. As a Senator considering the necessity of current and potential policies, clarity of the existing law is of utmost importance. This is especially true when a criminal offense is at issue. Clarification of the proper application of RCW 48.30.110 will clearly delineate when the statute's prohibition applies and is instrumental to the development of any future legislation.

**Background:**

Prior to 1982, RCW 48.30.110 prohibited insurers and fraternal benefit societies that conduct business in Washington from providing contributions in aid of any political party and any candidate for political office. That blanket prohibition was altered in 1982 to prohibit contributions only to candidates for the Washington State Office of the Insurance Commissioner.

**Analysis:**

The insurance industry, in its various forms, is governed through Title 48 RCW. For purposes of Title 48 RCW an insurer is defined by RCW 48.01.050 as:

“ . . . every person engaged in the business of making contracts of insurance, other than a fraternal benefit society.”

Insurance producers are regulated under Chapter 48.17 RCW and are defined in RCW 48.17.010(6) as:

“ . . . a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance.”

Activities of fraternal benefit societies are specifically governed under Chapter 48.36A RCW. RCW 48.36A.010 defines a fraternal benefit society as:

“Any incorporated society, order, or supreme lodge, without capital stock, including one exempted under the provisions of RCW 48.36A.370(1)(b) whether incorporated or not, conducted solely for the benefit of its members and their beneficiaries and not for profit, operated on a lodge system with ritualistic form of work, having a representative form of government, and which provides benefits in accordance with this chapter, . . . .”

Finally, RCW 48.30.110(1) provides that:

“No insurer or fraternal benefit society doing business in this state shall directly or indirectly pay or use, or offer, consent, or agree to pay or use any money or thing of value for or in aid of any candidate for the office of insurance commissioner; nor for reimbursement or indemnification of any person for money or property so used.”

The main issue presented in this request is to clarify whether RCW 48.30.110 applies to, and subsequently prohibits contributions to candidates for the Office of Insurance Commissioner, from insurance producers, employees of insurers, and members of fraternal benefit societies.

While insurance producers, employees of insurers, and members of fraternal benefit societies are not specifically mentioned in RCW 48.30.110 their activities may align with those of an insurer or fraternal benefit society. Without further direction it appears that the determination of whether RCW 48.30.110 applies hinges on each individual interpretation of the law.

**Questions:**

In light of the analysis provided above, I respectfully request that your office issue an informal opinion on the following questions:

1. Does RCW 48.30.110 prohibit insurance producers from contributing to candidates for the Office of the Insurance Commissioner?
2. Does RCW 48.30.110 prohibit those employed by an insurer from contributing to candidates for the Office of the Insurance Commissioner?
3. Does RCW 48.30.110 prohibit individual members of a fraternal benefit society from contributing to candidates for the Office of the Insurance Commissioner?

I appreciate your time and consideration to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Mike Padden".

Senator Mike Padden

4<sup>th</sup> Legislative District

Ranking Member, Senate Law & Justice Committee

District office: 509-921-2460

Olympia office: 360-786-7606