

PERFORMANCE AUDIT

Work in progress: Audit description

Office of the Insurance Commissioner:

Implementing the Child Support Insurance Intercept Law

When noncustodial parents fall behind in paying child support, the state can use multiple tools to collect past-due amounts, including intercepting insurance claim payments payable to noncustodial parents. However, the state can only intercept payments if it is aware of the claim.

The Office of the Washington State Auditor published a performance audit in September 2020 that found that Washington could not collect child support from many eligible insurance claims because some insurance companies chose not to report them to the Department of Social and Health Services' Division of Child Support. The audit recommended a new law requiring insurance companies doing business in Washington to participate in an insurance payment intercept program to increase collections for past due child support. The Legislature enacted RCW 26.23.037, which took effect on January 1, 2022.

The enacted legislation did not assign the Office of the Insurance Commissioner (OIC) a role in the program. This state agency is responsible for oversight of insurance companies doing business in Washington, and has regular contact with insurers. As such, OIC could play a role in educating insurers about the law and the importance of following its provisions. It can also audit insurance company claims to ensure proper reporting and compliance. OIC could also decide to seek additional legal authority to take enforcement action should an insurer not comply with the law.

Preliminary scope and objectives

This audit will consider what steps OIC could take to support efforts to inform insurance companies about the new law and how to comply with it. The audit seeks to answer the following question:

- How can the Office of the Insurance Commissioner help the Department of Social and Health Services increase insurers' awareness of and compliance with Washington state's child support insurance intercept law?



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