

2 **SSB 5334** - H COMM AMD **ADOPTED 4-11-97**
3 By Committee on Finance

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5 Strike everything after the enacting clause and insert the
6 following:

7 **"Sec. 1.** RCW 48.32.145 and 1993 sp.s. c 25 s 901 are each amended
8 to read as follows:

9 Every member insurer that prior to April 1, 1993, or after the
10 effective date of this section, shall have paid one or more assessments
11 levied pursuant to RCW 48.32.060(1)(c) shall be entitled to take(~~(~~
12 ~~as~~)) a credit against any premium tax falling due under RCW
13 48.14.020(~~(~~)). The amount of the credit shall be one-fifth of the
14 aggregate amount of such aggregate assessments paid during such
15 calendar year for each of the five consecutive calendar years beginning
16 with the calendar year following the calendar year in which such
17 assessments are paid. Whenever (~~(an assessment or uncredited portion~~
18 ~~of an assessment))~~ the allowable credit is or becomes less than one
19 thousand dollars, the entire amount (~~(may be credited))~~ of the credit
20 may be offset against the premium tax at the next time the premium tax
21 is paid.

22 (~~(This section shall expire January 1, 1999.)~~)

23 **Sec. 2.** RCW 48.32A.090 and 1993 sp.s. c 25 s 902 are each amended
24 to read as follows:

25 (1) The association shall issue to each insurer paying an
26 assessment under this chapter certificates of contribution, in
27 appropriate form and terms as prescribed or approved by the
28 commissioner, for the amounts so paid into the respective funds. All
29 outstanding certificates against a particular fund shall be of equal
30 dignity and priority without reference to amounts or dates of issue.

31 (2) An outstanding certificate of contribution issued for an
32 assessment paid prior to April 1, 1993, or issued for an assessment
33 paid for an insolvent insurer for which the order of liquidation was
34 entered after the effective date of this section, shall be shown by the
35 insurer in its financial statements as an admitted asset for such

1 amount and period of time as the commissioner may approve. Unless a
2 longer period has been allowed by the commissioner the insurer shall in
3 any event at its option have the right to so show a certificate of
4 contribution as an admitted asset at percentages of original face
5 amount for calendar years as follows:

6 100% for the calendar year of issuance;
7 80% for the first calendar year after the year of issuance;
8 60% for the second calendar year after the year of issuance;
9 40% for the third calendar year after the year of issuance;
10 20% for the fourth calendar year after the year of issuance; and
11 0% for the fifth and subsequent calendar years after the year of
12 issuance.

13 Notwithstanding the foregoing, if the value of a certificate of
14 contribution is or becomes less than one thousand dollars, the entire
15 amount may be written off by the insurer in that year.

16 (3) The insurer shall offset the amount written off by it in a
17 calendar year under subsection (2) of this section against its premium
18 tax liability to this state accrued with respect to business transacted
19 in such year.

20 (4) Any sums recovered by the association representing sums which
21 have theretofore been written off by contributing insurers and offset
22 against premium taxes as provided in subsection (3) of this section,
23 shall be paid by the association to the commissioner and then deposited
24 with the state treasurer for credit to the general fund of the state of
25 Washington.

26 (5) No distribution to stockholders, if any, of a liquidating
27 insurer shall be made unless and until the total amount of assessments
28 levied by the association with respect to such insurer have been fully
29 recovered by the association."

30 Correct the title accordingly.

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