

# HOUSE BILL REPORT

## HB 1480

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*As Passed Legislature*

**Title:** An act relating to the maintenance and investment of assets by reciprocal exchanges.

**Brief Description:** Allowing reciprocal insurer to affect title to real property.

**Sponsor(s):** Representatives R. Meyers, Mielke, Heavey, Broback, Zellinsky and Paris.

**Brief History:**

Reported by House Committee on:

Financial Institutions & Insurance, February 19, 1991,  
DP;

Passed House, March 8, 1991, 96-0;

Passed Legislature, 96-0.

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**HOUSE COMMITTEE ON  
FINANCIAL INSTITUTIONS & INSURANCE**

**Majority Report:** *Do pass.* Signed by 13 members:  
Representatives Dellwo, Chair; Zellinsky, Vice Chair;  
Broback, Ranking Minority Member; Mielke, Assistant Ranking  
Minority Member; Anderson; Dorn; Inslee; R. Johnson;  
R. Meyers; Paris; Schmidt; Scott; and Winsley.

**Staff:** John Conniff (786-7119).

**Background:** A reciprocal insurer, often referred to as an exchange, is an unincorporated group of persons who join together to insure each other. The group of persons execute a power of attorney agreement authorizing a person or organization to act as the attorney in fact to transact the day to day business of the group.

**Summary of Bill:** The insurance code governing reciprocal insurers is amended to authorize real estate transactions conducted by and through the reciprocal's attorney in fact.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The changes are necessary to clarify existing authority of reciprocal insurers to own and transfer real property.

**Testimony Against:** None.

**Witnesses:** Mike Kapphahn, Farmers Insurance (Pro).