

SENATE BILL REPORT

SHB 1971

AS REPORTED BY COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE,  
APRIL 5, 1991

**Brief Description:** Regulating alien insurers.

**SPONSORS:** House Committee on Financial Institutions & Insurance  
(originally sponsored by Representatives Dellwo, Paris,  
Zellinsky, Mielke, Inslee, Day, Schmidt, Prince and  
Scott).

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

**Majority Report:** Do pass.

Signed by Senators von Reichbauer, Chairman; Johnson,  
Vice Chairman; McCaslin, Owen, Pelz, Rasmussen, Sellar,  
Vognild, and West.

**Staff:** Mark Hutson (786-7488)

**Hearing Dates:** April 2, 1991; April 5, 1991

**BACKGROUND:**

Alien insurers, as defined under the insurance code, are simply insurance companies that were formed under the laws of another country. An alien insurer wishing to do business in the United States must use one of the 50 states as a state of entry and maintain a trust account for the benefit of United States policyholders. Washington State has no law establishing procedures for the use of this state as a state of entry.

**SUMMARY:**

Alien insurers may use the state of Washington as a state of entry for purposes of doing business in the United States by making and maintaining a deposit of assets in a trust account within Washington in accordance with established procedures and standards.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**TESTIMONY FOR:**

Washington should allow alien insurance companies to choose Washington as its state of entry to do business in the United States. Such a law promotes economic development.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Basil Badley, Commonwealth Insurance Company (pro)