

1 **2SHB 1557 - H AMDS 296 ADOPTED 3/11/95**

2 By Representative Mielke

3 On page 6, line 16, after "of the" strike "fees collected
4 under RCW 48.14.010" and insert "moneys deposited into the
5 insurance commissioner's regulatory account,"

6 On page 6, line 17, after "budget" insert ",,"

7 On page 7, line 15, after "prescribed in" strike "RCW
8 48.14.010" and insert "RCW 48.14.020"

9 On page 8, beginning on line 24, strike section 22 and insert
10 the following:

11 "**Sec. 22.** RCW 48.14.020 and 1986 c 296 s 1 are each amended
12 to read as follows:

13 (1) Subject to other provisions of this chapter, each
14 authorized insurer except title insurers shall on or before the
15 first day of March of each year pay to the state treasurer through
16 the commissioner's office a tax on premiums; three tenths of one
17 percent of the tax collected shall be deposited in the insurance
18 antifraud account created in section 16 of this act, and the
19 remainder shall be deposited in the general fund. Except as
20 provided in subsection (2) of this section, such tax shall be in
21 the amount of two percent of all premiums, excluding amounts
22 returned to or the amount of reductions in premiums allowed to
23 holders of industrial life policies for payment of premiums
24 directly to an office of the insurer, collected or received by the
25 insurer during the preceding calendar year other than ocean marine
26 and foreign trade insurances, after deducting premiums paid to
27 policyholders as returned premiums, upon risks or property
28 resident, situated, or to be performed in this state. For the
29 purposes of this section the consideration received by an insurer
30 for the granting of an annuity shall not be deemed to be a premium.

1 (2) In the case of insurers which require the payment by their
2 policyholders at the inception of their policies of the entire
3 premium thereon in the form of premiums or premium deposits which
4 are the same in amount, based on the character of the risks,
5 regardless of the length of term for which such policies are
6 written, such tax shall be in the amount of two percent of the
7 gross amount of such premiums and premium deposits upon policies on
8 risks resident, located, or to be performed in this state, in force
9 as of the thirty-first day of December next preceding, less the
10 unused or unabsorbed portion of such premiums and premium deposits
11 computed at the average rate thereof actually paid or credited to
12 policyholders or applied in part payment of any renewal premiums or
13 premium deposits on one-year policies expiring during such year.

14 (3) Each authorized insurer shall with respect to all ocean
15 marine and foreign trade insurance contracts written within this
16 state during the preceding calendar year, on or before the first
17 day of March of each year pay to the state treasurer through the
18 commissioner's office a tax of ninety-five one-hundredths of one
19 percent on its gross underwriting profit. Such gross underwriting
20 profit shall be ascertained by deducting from the net premiums
21 (i.e., gross premiums less all return premiums and premiums for
22 reinsurance) on such ocean marine and foreign trade insurance
23 contracts the net losses paid (i.e., gross losses paid less salvage
24 and recoveries on reinsurance ceded) during such calendar year
25 under such contracts. In the case of insurers issuing
26 participating contracts, such gross underwriting profit shall not
27 include, for computation of the tax prescribed by this subsection,
28 the amounts refunded, or paid as participation dividends, by such
29 insurers to the holders of such contracts.

30 (4) The state does hereby preempt the field of imposing excise
31 or privilege taxes upon insurers or their agents, other than title
32 insurers, and no county, city, town or other municipal subdivision

1 shall have the right to impose any such taxes upon such insurers or
2 their agents.

3 (5) If an authorized insurer collects or receives any such
4 premiums on account of policies in force in this state which were
5 originally issued by another insurer and which other insurer is not
6 authorized to transact insurance in this state on its own account,
7 such collecting insurer shall be liable for and shall pay the tax
8 on such premiums."

9 Correct internal references and the title reference
10 accordingly.

EFFECT: Corrects references related to funding the insurance
fraud units (corrects the source of funding for the operation
of the Office of the Insurance Commissioner, and corrects a
reference regarding insurance premium taxes).