

2 **ESHB 1592 - H AMD 968 ADOPTED 5/23/95**

3 By Representative Mielke

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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(~~(~~). For assessments paid after the effective date of this  
14 section, the amount of the credit shall be one-tenth of the aggregate  
15 amount of such aggregate assessments paid during such calendar year for  
16 each of the ten consecutive calendar years beginning with the calendar  
17 year following the calendar year in which such assessments are paid.  
18 For assessments paid prior to April 1, 1993, the amount of the credit  
19 shall be one-fifth of the aggregate amount of such aggregate  
20 assessments paid during such calendar year for each of the five  
21 consecutive calendar years beginning with the calendar year following  
22 the calendar year in which such assessments are paid. Whenever ((an  
23 ~~assessment or uncredited portion of an assessment))~~ the allowable  
24 credit is or becomes less than one thousand dollars, the entire amount  
25 ~~((may be credited))~~ of the credit may be offset against the premium tax  
26 at the next time the premium tax is paid.

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

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

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

1 (2) An outstanding certificate of contribution issued prior to  
2 April 1, 1993, or after the effective date of this section, shall be  
3 shown by the insurer in its financial statements as an admitted asset  
4 for such amount and period of time as the commissioner may approve.  
5 Unless a longer period has been allowed by the commissioner the insurer  
6 shall in any event at its option have the right to so show a  
7 certificate of contribution as an admitted asset at percentages of  
8 original face amount for calendar years as follows:

9 (a) For assessments paid after the effective date of this section:  
10 100% for the calendar year of issuance;  
11 90% for the first calendar year after the year of issuance;  
12 80% for the second calendar year after the year of issuance;  
13 70% for the third calendar year after the year of issuance;  
14 60% for the fourth calendar year after the year of issuance;  
15 50% for the fifth calendar year after the year of issuance;  
16 40% for the sixth calendar year after the year of issuance;  
17 30% for the seventh calendar year after the year of issuance;  
18 20% for the eighth calendar year after the year of issuance;  
19 10% for the ninth calendar year after the year of issuance; and  
20 0% for the tenth and subsequent calendar years after the year of  
21 issuance; or

22 (b) For assessments paid prior to April 1, 1993:  
23 100% for the calendar year of issuance;  
24 80% for the first calendar year after the year of issuance;  
25 60% for the second calendar year after the year of issuance;  
26 40% for the third calendar year after the year of issuance;  
27 20% for the fourth calendar year after the year of issuance; and  
28 0% for the fifth and subsequent calendar years after the year of  
29 issuance.

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

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

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

7 (5) No distribution to stockholders, if any, of a liquidating  
8 insurer shall be made unless and until the total amount of assessments  
9 levied by the association with respect to such insurer have been fully  
10 recovered by the association.

11 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
12 preservation of the public peace, health, or safety, or support of the  
13 state government and its existing public institutions, and shall take  
14 effect immediately."

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18 On page 1, line 2 of the title, after "insurers;" strike the  
19 remainder of the title and insert "amending RCW 48.32.145 and  
20 48.32A.090; and declaring an emergency."

21 EFFECT: Allows 100% credit for guaranty assessments over ten year  
22 periods.

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