
SENATE BILL 6307

State of Washington

54th Legislature

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By Senators Prentice, Winsley, Swecker, Franklin, Schow, Sheldon, Rasmussen, Bauer, Fraser, Oke and Fairley

Read first time 01/11/96. Referred to Committee on Financial Institutions & Housing.

1 AN ACT Relating to unauthorized insurers; and adding a new section
2 to chapter 48.05 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.05 RCW
5 to read as follows:

6 (1) Before an unauthorized insurer files or causes to be filed a
7 pleading in an action or proceeding instituted against it, the insurer
8 must:

9 (a) Procure a certificate of authority to engage in the business of
10 insurance in this state; or

11 (b) Deposit with the clerk of the court in which the action is
12 pending cash or securities, or file with the clerk a bond with good and
13 sufficient sureties, in an amount to be fixed by the court sufficient
14 to secure the payment of a final judgment that may be rendered in such
15 an action. The court may in its discretion enter an order dispensing
16 with the deposit or bond if the insurer makes a showing satisfactory to
17 the court that: (i) It maintains in a state of the United States funds
18 or securities, in trust or otherwise, sufficient and available to
19 satisfy any final judgment that may be entered in such an action or

1 proceeding; and (ii) the insurer will pay a final judgment entered
2 therein without requiring suit to be brought on the judgment in the
3 state where those funds or securities are located.

4 (2) The court in any action or proceeding in which service is made
5 in the manner provided in RCW 48.05.200 through 48.05.215 or 48.15.150,
6 in its discretion, may order a postponement if necessary to afford the
7 defendant reasonable opportunity to comply with subsection (1) of this
8 section, and to defend such an action.

9 (3) Nothing in this section is to be construed to prevent an
10 unauthorized insurer from filing a motion to quash or to set aside the
11 service of process made in accordance with RCW 48.05.200 through
12 48.05.215, or 48.15.150 on the grounds that:

13 (a) The unauthorized insurer has not done any of the acts under RCW
14 48.05.215; or

15 (b) The person on whom service was made was not doing any of the
16 acts under RCW 48.05.215.

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