

# FINAL BILL REPORT

## SB 5809

---

C 89 L 97

Synopsis as Enacted

**Brief Description:** Requiring unauthorized insurers to be financially sound.

**Sponsors:** Senators Fraser, Hale, Winsley and Prentice.

**Senate Committee on Financial Institutions, Insurance & Housing**  
**House Committee on Financial Institutions & Insurance**

**Background:** Unauthorized insurers are foreign or alien insurance companies that do not apply for a certificate of authority in Washington. Washington requires unauthorized insurers to have a certain amount of capital and surplus held in the state or foreign country where these companies conduct business. In addition, an alien insurer must obtain a trust account placed in the United States in the amount of \$2,500,000. The trust fund pays the claims of policyholders in the United States in the event of an insolvency.

**Summary:** The amount of the alien insurer's trust account in the United States is increased to \$5,400,000.

**Votes on Final Passage:**

|        |    |   |
|--------|----|---|
| Senate | 49 | 0 |
| House  | 98 | 0 |

**Effective:** June 1, 1998