
SENATE BILL 5334

State of Washington

55th Legislature

1997 Regular Session

By Senators Winsley, Heavey, Finkbeiner, Benton, Rasmussen, Hale and West

Read first time 01/23/97.

1 AN ACT Relating to credit against the premium tax for guaranty
2 association assessments paid by insurers; and amending RCW 48.32.145
3 and 48.32A.090.

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

5 **Sec. 1.** RCW 48.32.145 and 1993 sp.s. c 25 s 901 are each amended
6 to read as follows:

7 Every member insurer that prior to April 1, 1993, or after the
8 effective date of this act, shall have paid one or more assessments
9 levied pursuant to RCW 48.32.060(1)(c) shall be entitled to take, as a
10 credit against any premium tax falling due under RCW 48.14.020, one-
11 fifth of the aggregate amount of such aggregate assessments during such
12 calendar year for each of the five consecutive calendar years beginning
13 with the calendar year following the calendar year in which such
14 assessments are paid. Whenever an assessment or uncredited portion of
15 an assessment is or becomes less than one thousand dollars, the entire
16 amount may be credited against the premium tax at the next time the
17 premium tax is paid.

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

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

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

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

17 100% for the calendar year of issuance;
18 80% for the first calendar year after the year of issuance;
19 60% for the second calendar year after the year of issuance;
20 40% for the third calendar year after the year of issuance;
21 20% for the fourth calendar year after the year of issuance; and
22 0% for the fifth and subsequent calendar years after the year of
23 issuance.

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

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

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

37 (5) No distribution to stockholders, if any, of a liquidating
38 insurer shall be made unless and until the total amount of assessments

1 levied by the association with respect to such insurer have been fully
2 recovered by the association.

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