
SENATE BILL 5605

State of Washington

57th Legislature

2001 Regular Session

By Senators Prentice, Winsley, Gardner and Deccio; by request of Insurance Commissioner

Read first time 01/29/2001. Referred to Committee on Labor, Commerce & Financial Institutions.

1 AN ACT Relating to the investment limits of insurers in
2 noninsurance subsidiaries; and adding a new section to chapter 48.13
3 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.13 RCW
6 to read as follows:

7 (1) Notwithstanding RCW 48.13.220 and 48.13.240, an insurer may not
8 loan or invest its funds in common stock, preferred stock, debt
9 obligations, and other securities of one or more subsidiaries in an
10 aggregate amount exceeding the lesser of the following sums: Ten
11 percent of its assets, or fifty percent of its surplus as regards
12 policyholders. In calculating the amount of investments under this
13 section, investments in domestic or foreign insurance subsidiaries,
14 health care service contractors, and health maintenance organizations
15 are excluded.

16 (2) For the purposes of this section, "subsidiary" has the same
17 meaning as in RCW 48.31B.005.

--- END ---