

5605

Sponsor(s): Senators Prentice, Winsley, Gardner and Deccio; by request of Insurance Commissioner

Brief Description: Regulating the investment limits of insurers in noninsurance subsidiaries.

**SB 5605 - DIGEST**

Declares that, notwithstanding RCW 48.13.220 and 48.13.240, an insurer may not loan or invest its funds in common stock, preferred stock, debt obligations, and other securities of one or more subsidiaries in an aggregate amount exceeding the lesser of the following sums: Ten percent of its assets, or fifty percent of its surplus as regards policyholders. In calculating the amount of investments under this section, investments in domestic or foreign insurance subsidiaries, health care service contractors, and health maintenance organizations are excluded.