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HOUSE BILL 2817

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State of Washington

58th Legislature

2004 Regular Session

By Representatives Hatfield and Newhouse

Read first time 01/21/2004. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to insurance investments in limited liability  
2 companies formed to develop real property; and amending RCW 48.13.240.

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

4 **Sec. 1.** RCW 48.13.240 and 1982 c 218 s 4 are each amended to read  
5 as follows:

6 (1) An insurer may loan or invest its funds in an aggregate amount  
7 not exceeding the lesser of the following sums: Ten percent of its  
8 assets, or fifty percent of its surplus over its capital and other  
9 liabilities, or if a mutual or reciprocal insurer fifty percent of its  
10 surplus over minimum required surplus, in loans or investments not  
11 otherwise eligible for investment and not specifically prohibited by  
12 RCW 48.13.270.

13 (2) No such loan or investment shall be any item described in RCW  
14 48.12.020.

15 (3) No such investment in or loan upon the security of any one  
16 person or entity shall exceed the amount specified in subsection (1) of  
17 this section or one percent of the insurer's assets, whichever is the  
18 lesser, except that an investment in a limited liability company formed  
19 under chapter 25.15 RCW to develop real property owned by the insurer

1 as permitted by RCW 48.13.160 shall not exceed the lesser of the amount  
2 specified in subsection (1) of this section or four percent of the  
3 insurer's assets. This subsection (3) shall not apply to an investment  
4 in the stock of a subsidiary company.

5 (4) The insurer shall keep a separate record of all investments  
6 acquired under this section.

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