
SENATE BILL 6579

State of Washington

58th Legislature

2004 Regular Session

By Senators Winsley and Berkey

Read first time 01/26/2004. Referred to Committee on Financial Services, Insurance & Housing.

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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