
HOUSE BILL 1236

State of Washington

60th Legislature

2007 Regular Session

By Representatives Roach, Kirby, Simpson and Moeller; by request of Insurance Commissioner

Read first time 01/15/2007. Referred to Committee on Insurance, Financial Service & Consumer Protection.

1 AN ACT Relating to the capital and surplus requirements necessary
2 to transact insurance; and amending RCW 48.05.340.

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

4 **Sec. 1.** RCW 48.05.340 and 2005 c 223 s 2 are each amended to read
5 as follows:

6 (1) Subject to RCW 48.05.350 to qualify for authority to transact
7 any one kind of insurance as defined in chapter 48.11 RCW or
8 combination of kinds of insurance as set forth in this subsection, a
9 foreign or alien insurer, whether stock or mutual, or a domestic
10 insurer (~~(formed after July 24, 2005,)~~) must possess unimpaired paid-in
11 capital stock, if a stock insurer, or unimpaired surplus if a mutual
12 insurer, and additional funds in surplus, as follows, and must
13 thereafter maintain unimpaired a combined total of: (a) The paid-in
14 capital stock if a stock insurer or surplus if a mutual insurer, plus
15 (b) additional funds in surplus equal to the total of the following
16 initial requirements:

| | | Paid-in capital | |
|----|----------------------------|------------------|------------------|
| | Kind or kinds | stock or | Additional |
| | of insurance | basic surplus | surplus |
| 4 | Life | \$2,000,000 | \$2,000,000 |
| 5 | Disability | 2,000,000 | 2,000,000 |
| 6 | Life and disability ... | 2,400,000 | 2,400,000 |
| 7 | Property | 2,000,000 | 2,000,000 |
| 8 | Marine & | | |
| 9 | transportation | 2,000,000 | 2,000,000 |
| 10 | General casualty | 2,400,000 | 2,400,000 |
| 11 | Vehicle | 2,000,000 | 2,000,000 |
| 12 | Surety | 2,000,000 | 2,000,000 |
| 13 | <u>Ocean marine and</u> | | |
| 14 | <u>foreign trade</u> | <u>2,000,000</u> | <u>2,000,000</u> |
| 15 | Any two of the | | |
| 16 | following kinds | | |
| 17 | of insurance: | | |
| 18 | Property, marine | | |
| 19 | & transportation, | | |
| 20 | general casualty, | | |
| 21 | vehicle, surety, | | |
| 22 | <u>ocean marine and</u> | | |
| 23 | <u>foreign trade,</u> | | |
| 24 | disability | 3,000,000 | 3,000,000 |
| 25 | Multiple lines (all | | |
| 26 | insurances except | | |
| 27 | life and title | | |
| 28 | insurance) | 3,000,000 | 3,000,000 |
| 29 | Title | 2,000,000 | 2,000,000 |

30 (2) Capital and surplus requirements are based upon all the kinds
31 of insurance transacted by the insurer wherever it operates or proposes
32 to operate, whether or not only a portion of the kinds are to be
33 transacted in this state.

34 (3) Until December 31, 1996, a foreign or alien insurer holding a
35 certificate of authority to transact insurance in this state
36 immediately prior to June 9, 1994, may continue to be authorized to

1 transact the same kinds of insurance as long as it is otherwise
2 qualified for that authority. A domestic insurer, except a title
3 insurer, holding a certificate of authority to transact insurance in
4 this state immediately prior to June 9, 1994, may continue to be
5 authorized to transact the same kinds of insurance as long as it is
6 otherwise qualified for such an authority and thereafter maintains
7 unimpaired the amount of paid-in capital stock, if a stock insurer, or
8 basic surplus, if a mutual or reciprocal insurer, and special or
9 additional surplus as required of it under laws in force immediately
10 prior to June 9, 1994. A domestic insurer that is acquired or merged
11 must, immediately after completion of an acquisition or merger, meet
12 the capital and surplus requirements of subsection (1) of this section.
13 A domestic insurer, upon attaining the capital and surplus requirements
14 of subsection (1) of this section, may not return to the capital and
15 surplus requirements existing before June 9, 1994.

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