

**RCW 48.09.440 Mutual holding companies—As insurer—
Interpretation—Dissolution—Membership—Articles of incorporation.**

(1) A mutual holding company is not an insurer for the purposes of this title, except that RCW 48.07.030, 48.09.130, 48.09.160, 48.09.120, 48.09.300, 48.09.350, and 48.09.360 apply to a mutual holding company as if the mutual holding company were a domestic mutual insurer.

(2) Except where inconsistent with the provisions of this section, RCW 48.07.030, 48.09.110(2) through 48.09.160, 48.09.360, and 48.36A.390 shall be interpreted to apply to a mutual holding company in the same manner as if the mutual holding company were a domestic mutual insurer, considering the fact that a mutual holding company does not issue policies and does not have a certificate of authority. For purposes of this subsection, any references therein to a policy issued by, or a certificate of authority of, a domestic mutual insurer shall be interpreted to be references to a policy issued by, or a certificate of authority of, a stock insurer subsidiary of a mutual holding company whose policyholders are members of the mutual holding company.

(3) A mutual holding company may not dissolve or liquidate without approval by the commissioner or unless required by judicial order. The commissioner retains jurisdiction over a mutual holding company, any intermediate stock holding company, and any subsidiary of an intermediate stock holding company as provided in this section and RCW 48.31B.035.

(4) The members of a mutual holding company have the rights and obligations set forth in this section and in the articles of incorporation and bylaws of the mutual holding company. A member of a mutual holding company may not transfer membership in the mutual holding company or any right arising from such membership. Such limitation on the transfer of membership or rights arising from membership does not restrict the assignment of a policy that is otherwise permissible. A member of a mutual holding company is not personally liable for the acts, debts, liabilities, or obligations of the mutual holding company merely by reason of being a member. An assessment of any kind may not be imposed on a member of a mutual holding company. Any premium due under an insurance policy or contract issued to a member of a mutual holding company is not considered an assessment.

(5) A membership interest in a mutual holding company does not constitute a security as defined in RCW 21.20.005.

(6) Each member of a mutual holding company is entitled to one vote on each matter coming before a meeting of the members and for each director to be elected regardless of the number of policies or amount of insurance and benefits held by such member. The mutual holding company's bylaws shall set forth the voting rights of the members of a mutual holding company.

(7) Meetings of the members of a mutual holding company shall be governed in the same manner as if the mutual holding company were a domestic mutual insurer, including provisions governing quorum requirements, the approval of matters by the members, and the election of directors by the members.

(8) The articles of incorporation of a mutual holding company shall contain the following provisions:

(a) The name of the mutual holding company. The name shall include the words "mutual holding company" or "mutual insurance

holding company" or other words connoting the mutual character of the mutual holding company that are approved by the commissioner;

(b) A provision specifying that the mutual holding company is not authorized to issue capital stock, whether voting or nonvoting; and

(c) A provision setting forth any rights of the members of the mutual holding company on dissolution or liquidation.

(9) A mutual holding company shall automatically be a party to any rehabilitation or liquidation proceeding involving the converted stock insurer that as a result of a reorganization is a direct or indirect subsidiary of the mutual holding company. In such a proceeding, the assets of the mutual holding company shall be counted as assets of the estate of the converted stock insurer for the purpose of satisfying the claims of the policyholders of the converted stock insurer. [2023 c 20 s 5.]