
SUBSTITUTE HOUSE BILL 2775

State of Washington

52nd Legislature

1992 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Dellwo, Broback and Paris)

Read first time 02/07/92.

1 AN ACT Relating to life insurance and annuities; amending RCW
2 48.23.300; and providing an effective date.

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

4 **Sec. 1.** RCW 48.23.300 and 1985 c 264 s 23 are each amended to read
5 as follows:

6 (1) Any life insurer shall have the power to hold under agreement
7 the proceeds of any policy issued by it, upon such terms and
8 restrictions as to revocation by the policyholder and control by
9 beneficiaries, and with such exemptions from the claims of creditors of
10 beneficiaries other than the policyholder as set forth in the policy or
11 as agreed to in writing by the insurer and the policyholder. Upon
12 maturity of a policy in the event the policyholder has made no such
13 agreement, the insurer shall have the power to hold the proceeds of the
14 policy under an agreement with the beneficiaries. The insurer shall

1 not be required to segregate funds so held but may hold them as part of
2 its general assets.

3 (2) An insurer shall pay interest on death benefits payable under
4 the terms of a life insurance policy insuring the life of any person
5 who was a resident of this state at the time of death. Such interest
6 shall accrue commencing on the date of death at the larger of: (a) The
7 rate then paid by the insurer on other withdrawable policy proceeds
8 left with the company((, but not less than eight percent)); or (b)
9 average bill rate for ninety-day United States treasury bills as
10 determined at the first bill market auction conducted during the month
11 immediately preceding the date on which interest shall begin to accrue.
12 Benefits payable that have not been tendered to the beneficiary within
13 ninety days of the receipt of proof of death shall accrue interest,
14 commencing on the ninety-first day, at the aforementioned rate plus
15 three percent. This section applies to death of insureds that occur on
16 or after ((September 1, 1985)) July 1, 1992.

17 NEW SECTION. Sec. 2. This act shall take effect July 1, 1992.