
HOUSE BILL 1592

State of Washington

54th Legislature

1995 Regular Session

By Representatives L. Thomas, Dellwo, Mielke and G. Fisher

Read first time 02/01/95. Referred to Committee on Financial
Institutions & Insurance.

1 AN ACT Relating to credit against the premium tax for guaranty
2 association assessments paid by insurers; and amending RCW 48.32.145
3 and 48.32A.090.

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

5 **Sec. 1.** RCW 48.32.145 and 1993 sp.s. c 25 s 901 are each amended
6 to read as follows:

7 Every member insurer that (~~prior to April 1, 1993,~~) during any
8 calendar year shall have paid one or more assessments levied pursuant
9 to RCW 48.32.060(1)(c) shall be entitled to take, as a credit against
10 any premium tax falling due under RCW 48.14.020, one-fifth of the
11 aggregate amount of such aggregate assessments during such calendar
12 year for each of the five consecutive calendar years beginning with the
13 calendar year following the calendar year in which such assessments are
14 paid. Whenever an assessment or uncredited portion of an assessment is
15 or becomes less than one thousand dollars, the entire amount may be
16 credited against the premium tax at the next time the premium tax is
17 paid.

18 (~~This section shall expire January 1, 1999.~~)

1 **Sec. 2.** RCW 48.32A.090 and 1993 sp.s. c 25 s 902 are each amended
2 to read as follows:

3 (1) The association shall issue to each insurer paying an
4 assessment under this chapter certificates of contribution, in
5 appropriate form and terms as prescribed or approved by the
6 commissioner, for the amounts so paid into the respective funds. All
7 outstanding certificates against a particular fund shall be of equal
8 dignity and priority without reference to amounts or dates of issue.

9 (2) An outstanding certificate of contribution (~~issued prior to~~
10 ~~April 1, 1993,~~) shall be shown by the insurer in its financial
11 statements as an admitted asset for such amount and period of time as
12 the commissioner may approve. Unless a longer period has been allowed
13 by the commissioner the insurer shall in any event at its option have
14 the right to so show a certificate of contribution as an admitted asset
15 at percentages of original face amount for calendar years as follows:

16 100% for the calendar year of issuance;
17 80% for the first calendar year after the year of issuance;
18 60% for the second calendar year after the year of issuance;
19 40% for the third calendar year after the year of issuance;
20 20% for the fourth calendar year after the year of issuance; and
21 0% for the fifth and subsequent calendar years after the year of
22 issuance.

23 Notwithstanding the foregoing, if the value of a certificate of
24 contribution is or becomes less than one thousand dollars, the entire
25 amount may be written off by the insurer in that year.

26 (3) The insurer shall offset the amount written off by it in a
27 calendar year under subsection (2) of this section against its premium
28 tax liability to this state accrued with respect to business transacted
29 in such year.

30 (4) Any sums recovered by the association representing sums which
31 have theretofore been written off by contributing insurers and offset
32 against premium taxes as provided in subsection (3) of this section,
33 shall be paid by the association to the commissioner and then deposited
34 with the state treasurer for credit to the general fund of the state of
35 Washington.

36 (5) No distribution to stockholders, if any, of a liquidating
37 insurer shall be made unless and until the total amount of assessments

1 levied by the association with respect to such insurer have been fully
2 recovered by the association.

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