

# SENATE BILL REPORT

## HB 2144

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As Reported By Senate Committee On:  
Financial Institutions, Insurance & Housing, February 19, 1998

**Title:** An act relating to the insurance commissioner's designated depository.

**Brief Description:** Designating depositories.

**Sponsors:** Representatives Smith, L. Thomas, Wolfe, Sullivan, Wensman and Anderson.

**Brief History:**

**Committee Activity:** Financial Institutions, Insurance & Housing: 2/18/98, 2/19/98 [DP].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

**Majority Report:** Do pass.

Signed by Senators Winsley, Chair; Benton, Vice Chair; Finkbeiner, Heavey and Kline.

**Staff:** Joanne Conrad (786-7472)

**Background:** The Insurance Commissioner designates solvent trust companies or financial institutions to act as security depositories for insurers. Since 1947, these entities have been limited to those legally domiciled in Washington State.

During the past few years, legislative changes have increasingly allowed for many types of interstate transactions by financial institutions.

**Summary of Bill:** Financial institutions with trust powers located in Washington State may be designated as security depositories by the Insurance Commissioner. The financial institutions do not have to be domiciled in Washington State, but they must be solvent and lawfully engaged in business.

Obsolete references to Federal Savings and Loan Insurance Corporation are deleted.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The bill is needed to modernize practice and delete obsolete references.

**Testimony Against:** None.

**Testified:** Representative Scott Smith, prime sponsor (pro); Gene Schlatter, WA Bankers Association (pro).

