

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1727

Chapter 90, Laws of 2001

57th Legislature
2001 Regular Legislative Session

INSURERS--INVESTMENT LIMITS

EFFECTIVE DATE: 7/22/01

Passed by the House March 9, 2001
Yeas 98 Nays 0

FRANK CHOPP
**Speaker of the House of
Representatives**

CLYDE BALLARD
**Speaker of the House of
Representatives**

Passed by the Senate April 6, 2001
Yeas 48 Nays 0

BRAD OWEN
President of the Senate

Approved April 19, 2001

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1727** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER
Chief Clerk

TIMOTHY A. MARTIN
Chief Clerk

FILED

April 19, 2001 - 5:04 p.m.

**Secretary of State
State of Washington**

HOUSE BILL 1727

Passed Legislature - 2001 Regular Session

State of Washington 57th Legislature 2001 Regular Session

By Representatives Roach, Miloscia, Benson and Hatfield; by request of Insurance Commissioner

Read first time 02/01/2001. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to the investment limits of insurers in
2 noninsurance subsidiaries; and adding a new section to chapter 48.13
3 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.13 RCW
6 to read as follows:

7 (1) Notwithstanding RCW 48.13.220 and 48.13.240, an insurer may not
8 loan or invest its funds in common stock, preferred stock, debt
9 obligations, and other securities of one or more subsidiaries in an
10 aggregate amount exceeding the lesser of the following sums: Ten
11 percent of its assets, or fifty percent of its surplus as regards
12 policyholders. In calculating the amount of investments under this
13 section, investments in domestic or foreign subsidiary insurers, health
14 care service contractors, and health maintenance organizations are
15 excluded.

16 (2) For the purposes of this section, "subsidiary" has the same
17 meaning as in RCW 48.31B.005.

Passed the House March 9, 2001.
Passed the Senate April 6, 2001.
Approved by the Governor April 19, 2001.
Filed in Office of Secretary of State April 19, 2001.