

HOUSE BILL REPORT

HB 1480

*As Reported By House Committee on:
Financial Institutions & Insurance*

Title: An act relating to the maintenance and investment of assets by reciprocal exchanges.

Brief Description: Allowing reciprocal insurer to affect title to real property.

Sponsor(s): Representatives R. Meyers, Mielke, Heavey, Broback, Zellinsky and Paris.

Brief History:

Reported by House Committee on:
Financial Institutions & Insurance, February 19, 1991,
DP.

**HOUSE COMMITTEE ON
FINANCIAL INSTITUTIONS & INSURANCE**

Majority Report: *Do pass.* Signed by 13 members:
Representatives Dellwo, Chair; Zellinsky, Vice Chair;
Broback, Ranking Minority Member; Mielke, Assistant Ranking
Minority Member; Anderson; Dorn; Inslee; R. Johnson;
R. Meyers; Paris; Schmidt; Scott; and Winsley.

Staff: John Conniff (786-7119).

Background: A reciprocal insurer, often referred to as an exchange, is an unincorporated group of persons who join together to insure each other. The group of persons execute a power of attorney agreement authorizing a person or organization to act as the attorney in fact to transact the day to day business of the group.

Summary of Bill: The insurance code governing reciprocal insurers is amended to authorize real estate transactions conducted by and through the reciprocal's attorney in fact.

Fiscal Note: Not requested.

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

Testimony For: The changes are necessary to clarify existing authority of reciprocal insurers to own and transfer real property.

Testimony Against: None.

Witnesses: Mike Kapphahn, Farmers Insurance (Pro).