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HOUSE BILL 1833

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State of Washington                      52nd Legislature                      1991 Regular Session

By Representatives Wang and H. Sommers.

Read first time February 12, 1991. Referred to Committee on Revenue.

1            AN ACT Relating to eliminating insurance premium tax credits;  
2 amending RCW 48.32A.090; repealing RCW 48.32.145; and declaring an  
3 emergency.

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

5            **Sec. 1.** RCW 48.32A.090 and 1990 c 51 s 6 are each amended to read  
6 as follows:

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

13            (2) An outstanding certificate of contribution shall be shown by  
14 the insurer in its financial statements as an admitted asset for such  
15 amount and period of time as the commissioner may approve: PROVIDED,

1 That unless a longer period has been allowed by the commissioner the  
2 insurer shall in any event at its option have the right to so show a  
3 certificate of contribution as an admitted asset at percentages of  
4 original face amount for calendar years as follows:

5 100% for the calendar year of issuance;

6 80% for the first calendar year after the year of issuance;

7 60% for the second calendar year after the year of issuance;

8 40% for the third calendar year after the year of issuance;

9 20% for the fourth calendar year after the year of issuance; and

10 0% for the fifth and subsequent calendar years after the year of  
11 issuance.

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

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

19 ~~(4))~~ Any sums recovered by the association representing sums which  
20 have theretofore been written off by contributing insurers and offset  
21 against premium taxes ~~((as provided in subsection (3) of this  
22 section,))~~ before the effective date of this act shall be paid by the  
23 association to the commissioner and ~~((by him))~~ then deposited with the  
24 state treasurer for credit to the general fund of the state of  
25 Washington.

26 ~~((+5))~~ (4) No distribution to stockholders, if any, of a  
27 liquidating insurer shall be made unless and until the total amount of

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

3 NEW SECTION. **Sec. 2.** RCW 48.32.145 and 1977 ex.s. c 183 s 1  
4 & 1975-'76 2nd ex.s. c 109 s 11 are each repealed.

5 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
6 preservation of the public peace, health, or safety, or support of the  
7 state government and its existing public institutions, and shall take  
8 effect immediately.