
SENATE BILL 5522

State of Washington

52nd Legislature

1991 Regular Session

By Senators Vognild, West, Pelz, Bailey, Moore, Sellar, Owen, Newhouse, Conner, Talmadge, A. Smith, Murray, Wojahn, Thorsness, Erwin, L. Kreidler, Rasmussen, Nelson, Saling, McCaslin, Craswell, Roach, McDonald, Bauer, Gaspard, Snyder and Johnson.

Read first time February 5, 1991. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to disclosure of limitations on life insurance
2 liability; and amending RCW 48.23.260.

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

4 **Sec. 1.** RCW 48.23.260 and 1947 c 79 s .23.26 are each amended to
5 read as follows:

6 (1) The insurer may in any life insurance policy or annuity or pure
7 endowment contract limit its liability to a determinable amount not
8 less than the full reserve of the policy and of dividend additions
9 thereto in event only of death occurring:

10 (a) As a result of war, or any act of war, declared or undeclared,
11 or of service in the military, naval, or air forces or in civilian
12 forces auxiliary thereto, or from any cause while a member of any such
13 military, naval, or air forces of any country at war, declared or
14 undeclared.

1 (b) As a result of suicide of the insured, whether sane or insane,
2 within two years from date of issue of the policy.

3 (c) As a result of aviation under conditions specified in the
4 policy.

5 (2) Limitation of liability under subsection (1) of this section is
6 effective only if full disclosure of the existence of such limit or
7 limits on liability was made when the life insurance policy or annuity
8 or pure endowment contract was sold to the policyholder.

9 (3) An insurer may specify conditions pertaining to the items of
10 subsection (1) of this section which in the commissioner's opinion are
11 more favorable to the policyholder.