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SENATE BILL 6403

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State of Washington

52nd Legislature

1992 Regular Session

By Senators Sellar and Owen

Read first time 01/29/92. Referred to Committee on Financial  
Institutions & Insurance.

1 AN ACT Relating to life insurance and annuities; amending RCW  
2 48.23.300; and providing an effective date.

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

4 **Sec. 1.** RCW 48.23.300 and 1985 c 264 s 23 are each amended to read  
5 as follows:

6 (1) Any life insurer shall have the power to hold under agreement  
7 the proceeds of any policy issued by it, upon such terms and  
8 restrictions as to revocation by the policyholder and control by  
9 beneficiaries, and with such exemptions from the claims of creditors of  
10 beneficiaries other than the policyholder as set forth in the policy or  
11 as agreed to in writing by the insurer and the policyholder. Upon  
12 maturity of a policy in the event the policyholder has made no such  
13 agreement, the insurer shall have the power to hold the proceeds of the  
14 policy under an agreement with the beneficiaries. The insurer shall

1 not be required to segregate funds so held but may hold them as part of  
2 its general assets.

3 (2) An insurer shall pay interest on death benefits payable under  
4 the terms of a life insurance policy insuring the life of any person  
5 who was a resident of this state at the time of death. Such interest  
6 shall accrue commencing on the date the insurer receives proof of death  
7 at the larger of: (a) The rate then paid by the insurer on other  
8 withdrawable policy proceeds left with the company(~~(, but not less than~~  
9 ~~eight percent))~~; or (b) the then-current published rate for ninety-day  
10 treasury bills. Benefits payable that have not been tendered to the  
11 beneficiary within ninety days of the receipt of proof of death shall  
12 accrue interest, commencing on the ninety-first day, at the  
13 aforementioned rate plus three percent. This section applies to death  
14 of insureds that occur on or after (~~September 1, 1985~~) July 1, 1992.

15 NEW SECTION. Sec. 2. This act shall take effect July 1, 1992.