

CERTIFICATION OF ENROLLMENT

SENATE BILL 5433

Chapter 84, Laws of 1995

54th Legislature
1995 Regular Session

Insurers--Prohibited investments

EFFECTIVE DATE: 7/23/95

Passed by the Senate March 7, 1995
YEAS 46 NAYS 0

JOEL PRITCHARD

President of the Senate

Passed by the House April 6, 1995
YEAS 96 NAYS 0

CLYDE BALLARD

**Speaker of the
House of Representatives**

Approved April 18, 1995

MIKE LOWRY

Governor of the State of Washington

CERTIFICATE

I, Marty Brown, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5433** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MARTY BROWN

Secretary

FILED

April 18, 1995 - 1:13 p.m.

**Secretary of State
State of Washington**

SENATE BILL 5433

Passed Legislature - 1995 Regular Session

State of Washington 54th Legislature 1995 Regular Session

By Senators Prentice, Hale and Fraser; by request of Insurance Commissioner

Read first time 01/23/95. Referred to Committee on Financial Institutions & Housing.

1 AN ACT Relating to prohibited investments by insurers; and amending
2 RCW 48.13.270.

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

4 **Sec. 1.** RCW 48.13.270 and 1993 c 92 s 4 are each amended to read
5 as follows:

6 An insurer shall not, except with the commissioner's approval in
7 advance, invest in or loan its funds upon the security of, or hold:

8 (1) Issued shares of its own capital stock, except for the purpose
9 of mutualization in accordance with RCW 48.08.080;

10 (2) ~~((Securities issued by any corporation, except as specifically
11 authorized by this chapter directly or by exception, if a majority of
12 the outstanding stock of such corporation, or a majority of its stock
13 having voting powers, is or will be after such acquisition, directly or
14 indirectly owned by the insurer, or by any combination of the insurer
15 and the insurer's directors, officers, parent corporation, and
16 subsidiaries;~~

17 ~~(3))~~) Securities issued by any corporation if a majority of its
18 stock having voting power is owned directly or indirectly by or for the
19 benefit of any one or more of the insurer's officers and directors;

1 (~~(4)~~) (3) Any investment or loan ineligible under the provisions
2 of RCW 48.13.030;
3 (~~(5)~~) (4) Securities issued by any insolvent corporation;
4 (~~(6)~~) (5) Obligations contrary to the provisions of RCW
5 48.13.273; or
6 (~~(7)~~) (6) Any investment or security which is found by the
7 commissioner to be designed to evade any prohibition of this code.

Passed the Senate March 7, 1995.

Passed the House April 6, 1995.

Approved by the Governor April 18, 1995.

Filed in Office of Secretary of State April 18, 1995.

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