

CERTIFICATION OF ENROLLMENT
SECOND SUBSTITUTE HOUSE BILL 1065

Chapter 23, Laws of 1998

55th Legislature
1998 Regular Session

FILING OF INSURANCE-RELATED CORPORATE DOCUMENTS

EFFECTIVE DATE: 6/11/98

Passed by the House January 26, 1998
Yeas 97 Nays 0

CLYDE BALLARD
**Speaker of the
House of Representatives**

Passed by the Senate March 2, 1998
Yeas 45 Nays 0

IRV NEWHOUSE
President of the Senate

Approved March 12, 1998

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE HOUSE BILL 1065** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN
Chief Clerk

FILED

March 12, 1998 - 4:00 p.m.

**Secretary of State
State of Washington**

SECOND SUBSTITUTE HOUSE BILL 1065

Passed Legislature - 1998 Regular Session

State of Washington

55th Legislature

1998 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives L. Thomas, Wolfe and Mason; by request of Insurance Commissioner)

Read first time 01/15/98. Referred to Committee on .

1 AN ACT Relating to the filing of corporate documents by insurance
2 companies, health care service contractors, and health maintenance
3 organizations; amending RCW 48.06.060, 48.06.200, and 48.07.070; adding
4 a new section to chapter 23.86 RCW; adding a new section to chapter
5 23B.01 RCW; adding a new section to chapter 23B.02 RCW; adding new
6 sections to chapter 23B.04 RCW; adding a new section to chapter 23B.10
7 RCW; adding a new section to chapter 23B.14 RCW; adding a new section
8 to chapter 23B.15 RCW; adding new sections to chapter 24.03 RCW; adding
9 new sections to chapter 24.06 RCW; adding a new section to chapter
10 48.44 RCW; adding a new section to chapter 48.46 RCW; adding a new
11 section to chapter 43.07 RCW; and adding a new section to chapter 48.02
12 RCW.

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

14 **Sec. 1.** RCW 48.06.060 and 1947 c 79 s .06.06 are each amended to
15 read as follows:

16 Upon the filing of the bond required by RCW 48.06.110 after notice
17 by the commissioner, the commissioner shall:

18 (1) File the articles of incorporation of the proposed incorporated
19 insurer or other corporation ((with the secretary of state,))i and

1 (2) Issue to the applicant a solicitation permit.

2 **Sec. 2.** RCW 48.06.200 and 1981 c 302 s 37 are each amended to read
3 as follows:

4 (1) This section applies to insurers incorporated in this state,
5 but no insurer heretofore lawfully incorporated in this state is
6 required to reincorporate or change its articles of incorporation by
7 reason of any provisions of this section.

8 (2) The incorporators shall be individuals who are United States
9 citizens, of whom two-thirds shall be residents of this state. The
10 number of incorporators shall be not less than five if a stock insurer,
11 nor less than ten if a mutual insurer.

12 (3) The incorporators shall execute articles of incorporation in
13 (~~triplicate and~~) duplicate, acknowledge their signatures thereunto
14 before an officer authorized to take acknowledgments of deeds, and file
15 both copies with the commissioner.

16 (4) After approval of the articles by the commissioner, one copy
17 shall be filed (~~in the office of the secretary of state, another~~) in
18 the office of the commissioner(~~7~~) and the (~~third~~) other copy shall
19 be (~~retained by~~) returned to the insurer.

20 (5) The articles of incorporation shall state:

21 First: The names and addresses of the incorporators.

22 Second: The name of the insurer. If a mutual insurer the name
23 shall include the word "mutual."

24 Third: (a) The objects for which the insurer is formed;

25 (b) whether it is a stock or mutual insurer, and if a mutual
26 property insurer only, whether it will insure on the cash premium or
27 assessment plan;

28 (c) the kinds of insurance it will issue, according to the
29 designations made in this code.

30 Fourth: If a stock insurer, the amount of its capital, the
31 aggregate number of shares, and the par value of each share, which par
32 value shall be not less than ten dollars, except that after the
33 corporation has transacted business as an authorized insurer in the
34 state for five years or more, its articles of incorporation may be
35 amended, at the option of its stockholders, to provide for a par value
36 of not less than one dollar per share. If a mutual insurer, the
37 maximum contingent liability of its policyholders for the payment of
38 its expenses and losses occurring under its policies.

1 Fifth: The duration of its existence, which may be perpetual.

2 Sixth: The names and addresses of the directors, not less than
3 five in number, who shall constitute the board of directors of the
4 insurer for the initial term, not less than two nor more than six
5 months, as designated in the articles of incorporation.

6 Seventh: The name of the city or town of this state in which the
7 insurer's principal place of business is to be located.

8 Eighth: Other provisions not inconsistent with law as may be
9 deemed proper by the incorporators.

10 **Sec. 3.** RCW 48.07.070 and 1985 c 364 s 4 are each amended to read
11 as follows:

12 (1) Unless a vote of a greater proportion of directors or shares is
13 required by its articles of incorporation, amendments to the articles
14 of incorporation of a domestic insurer or a domestic insurance holding
15 corporation shall be made by a majority vote of its board of directors
16 and the vote or written assent of a majority of its voting capital
17 stock, or two-thirds of the members (if a mutual insurer) voting at a
18 valid meeting of members.

19 (2) The president and secretary of the insurer shall, under the
20 corporate seal, certify the amendment in (~~(triplicate)~~) duplicate, and
21 file (~~(it)~~) both copies in the office(~~(s)~~) of the (~~(secretary of state,~~
22 ~~the commissioner, and the insurer,~~) commissioner as required under
23 this code for original articles of incorporation. Thereupon, subject
24 to the requirements of RCW 48.08.010 relative to increase of capital
25 stock of a stock insurer, the amendment shall become effective.

26 NEW SECTION. **Sec. 4.** A new section is added to chapter 23.86 RCW
27 to read as follows:

28 For those corporations that have a certificate of authority, are
29 applying for, or intend to apply for a certificate of authority from
30 the insurance commissioner as an insurance company under chapter 48.05
31 RCW, whenever under this chapter corporate documents are required to be
32 filed with the secretary of state, the documents shall be filed with
33 the insurance commissioner rather than the secretary of state.

34 NEW SECTION. **Sec. 5.** A new section is added to chapter 23B.01 RCW
35 to read as follows:

1 For those corporations that have a certificate of authority, are
2 applying for, or intend to apply for a certificate of authority from
3 the insurance commissioner as an insurance company under chapter 48.05
4 RCW, whenever under this chapter corporate documents are required to be
5 filed with the secretary of state, the documents shall be filed with
6 the insurance commissioner rather than the secretary of state.

7 NEW SECTION. **Sec. 6.** A new section is added to chapter 23B.02 RCW
8 to read as follows:

9 For those corporations that have a certificate of authority, are
10 applying for, or intend to apply for a certificate of authority from
11 the insurance commissioner as an insurance company under chapter 48.05
12 RCW, whenever under this chapter corporate documents are required to be
13 filed with the secretary of state, the documents shall be filed with
14 the insurance commissioner rather than the secretary of state.

15 NEW SECTION. **Sec. 7.** A new section is added to chapter 23B.04 RCW
16 to read as follows:

17 For those corporations that have a certificate of authority, are
18 applying for, or intend to apply for a certificate of authority from
19 the insurance commissioner as an insurance company under chapter 48.05
20 RCW, whenever under this chapter corporate documents are required to be
21 filed with the secretary of state, the documents shall be filed with
22 the insurance commissioner rather than the secretary of state.

23 NEW SECTION. **Sec. 8.** A new section is added to chapter 23B.04 RCW
24 to read as follows:

25 For those corporations that intend to apply for a certificate of
26 authority from the insurance commissioner as an insurance company under
27 chapter 48.05 RCW, whenever under this chapter a corporation may
28 register or reserve a corporate name, the registration or reservation
29 shall be filed with the insurance commissioner rather than the
30 secretary of state. The secretary of state and insurance commissioner
31 shall cooperate with each other in registering or reserving a corporate
32 name so that there is no duplication of the name.

33 NEW SECTION. **Sec. 9.** A new section is added to chapter 23B.10 RCW
34 to read as follows:

1 For those corporations that have a certificate of authority, are
2 applying for, or intend to apply for a certificate of authority from
3 the insurance commissioner as an insurance company under chapter 48.05
4 RCW, whenever under this chapter corporate documents are required to be
5 filed with the secretary of state, the documents shall be filed with
6 the insurance commissioner rather than the secretary of state.

7 NEW SECTION. **Sec. 10.** A new section is added to chapter 23B.14
8 RCW to read as follows:

9 For those corporations that have a certificate of authority, are
10 applying for, or intend to apply for a certificate of authority from
11 the insurance commissioner as an insurance company under chapter 48.05
12 RCW, whenever under this chapter corporate documents are required to be
13 filed with the secretary of state, the documents shall be filed with
14 the insurance commissioner rather than the secretary of state.

15 NEW SECTION. **Sec. 11.** A new section is added to chapter 23B.15
16 RCW to read as follows:

17 For those corporations that have a certificate of authority, are
18 applying for, or intend to apply for a certificate of authority from
19 the insurance commissioner as an insurance company under chapter 48.05
20 RCW, whenever under this chapter corporate documents are required to be
21 filed with the secretary of state, the documents shall be filed with
22 the insurance commissioner rather than the secretary of state.

23 NEW SECTION. **Sec. 12.** A new section is added to chapter 24.03 RCW
24 to read as follows:

25 For those corporations that have a certificate of authority, are
26 applying for, or intend to apply for a certificate of authority from
27 the insurance commissioner as an insurance company under chapter 48.05
28 RCW, whenever under this chapter corporate documents are required to be
29 filed with the secretary of state, the documents shall be filed with
30 the insurance commissioner rather than the secretary of state.

31 NEW SECTION. **Sec. 13.** A new section is added to chapter 24.03 RCW
32 to read as follows:

33 For those corporations that intend to apply for a certificate of
34 authority from the insurance commissioner as an insurance company under
35 chapter 48.05 RCW, whenever under this chapter a corporation may

1 register or reserve a corporate name, the registration or reservation
2 shall be filed with the insurance commissioner rather than the
3 secretary of state. The secretary of state and insurance commissioner
4 shall cooperate with each other in registering or reserving a corporate
5 name so that there is no duplication of the name.

6 NEW SECTION. **Sec. 14.** A new section is added to chapter 24.06 RCW
7 to read as follows:

8 For those corporations that have a certificate of authority, are
9 applying for, or intend to apply for a certificate of authority from
10 the insurance commissioner as an insurance company under chapter 48.05
11 RCW, whenever under this chapter corporate documents are required to be
12 filed with the secretary of state, the documents shall be filed with
13 the insurance commissioner rather than the secretary of state.

14 NEW SECTION. **Sec. 15.** A new section is added to chapter 24.06 RCW
15 to read as follows:

16 For those corporations that intend to apply for a certificate of
17 authority from the insurance commissioner as an insurance company under
18 chapter 48.05 RCW, whenever under this chapter a corporation may
19 register or reserve a corporate name, the registration or reservation
20 shall be filed with the insurance commissioner rather than the
21 secretary of state. The secretary of state and insurance commissioner
22 shall cooperate with each other in registering or reserving a corporate
23 name so that there is no duplication of the name.

24 NEW SECTION. **Sec. 16.** A new section is added to chapter 48.44 RCW
25 to read as follows:

26 Health care service contractors and limited health care service
27 contractors shall send a copy specifically for the office of the
28 insurance commissioner to the secretary of state of any corporate
29 document required to be filed in the office of the secretary of state,
30 including articles of incorporation and bylaws, and any amendments
31 thereto. The copy specifically provided for the office of the
32 insurance commissioner shall be in addition to the copies required by
33 the secretary of state and shall clearly indicate on the copy that it
34 is for delivery to the office of the insurance commissioner.

1 NEW SECTION. **Sec. 17.** A new section is added to chapter 48.46 RCW
2 to read as follows:

3 Health maintenance organizations shall send a copy specifically for
4 the office of the insurance commissioner to the secretary of state of
5 any corporate document required to be filed in the office of the
6 secretary of state, including articles of incorporation and bylaws, and
7 any amendments thereto. The copy specifically provided for the office
8 of the insurance commissioner shall be in addition to the copies
9 required by the secretary of state and shall clearly indicate on the
10 copy that it is for delivery to the office of the insurance
11 commissioner.

12 NEW SECTION. **Sec. 18.** A new section is added to chapter 43.07 RCW
13 to read as follows:

14 The secretary of state shall deliver to the office of the insurance
15 commissioner copies of corporate documents filed with the secretary of
16 state by health care service contractors and health maintenance
17 organizations that have been provided for the insurance commissioner
18 under sections 16 and 17 of this act.

19 NEW SECTION. **Sec. 19.** A new section is added to chapter 48.02 RCW
20 to read as follows:

21 Whenever any documents are filed with the insurance commissioner
22 which affect a corporate or company name, the insurance commissioner
23 shall immediately notify the secretary of state of the filing. If any
24 other action is taken by the insurance commissioner which affects a
25 corporate or company name, the insurance commissioner shall immediately
26 notify the secretary of state of the action. The insurance
27 commissioner shall cooperate with the secretary of state to ascertain
28 that there is no duplication of corporate or company names.

 Passed the House January 26, 1998.

 Passed the Senate March 2, 1998.

 Approved by the Governor March 12, 1998.

 Filed in Office of Secretary of State March 12, 1998.