

5506-S2

Sponsor(s): Senate Committee on Labor, Commerce & Financial Institutions (originally sponsored by Senator Jacobsen)

Brief Description: Regulating charitable gift annuity businesses.

SB 5506-S2 - DIGEST

(AS OF SENATE 2ND READING 2/11/02)

Provides that the commissioner may grant a certificate of exemption to any insurer or educational, religious, charitable, or scientific institution conducting a charitable gift annuity business which agrees to pay no commission or compensation of any kind from any source to any person or organization that is in any manner based or contingent upon the solicitation, sale, issuance, or value of a particular gift annuity.

Provides that, if an institution holding a certificate of exemption under RCW 48.38.010 has purchased a single premium life annuity that pays the entire amount stipulated in the gift annuity agreement or agreements from an insurer: (1) holding a certificate of authority under chapter 48.05 RCW,

(2) licensed in the state in which the institution has its principle office, and

(3) licensed in the state in which the single premium life annuity is issued, then in determining the minimum reserve fund that must be maintained under this section, a deduction shall be allowed from the minimum reserve fund in an amount not exceeding the reserve fund amount required for the annuity or annuities for which the single premium life annuity is purchased, subject to the designated conditions.

Provides that the insurance commissioner may refuse to grant, or may revoke or suspend, a certificate of exemption if the insurance commissioner finds that the insurer or institution: (1) Has violated any provision of this title prior to obtaining a certificate of exemption from the commissioner; or

(2) has paid a commission or compensation of any kind from any source to any person or organization that is in any manner based or contingent upon the solicitation, sale, issuance, or value of a particular gift annuity.