

6434

Sponsor(s): Senators Benton and Berkey

Brief Description: Regulating capital calls by domestic mutual insurers.

SB 6434 - DIGEST

Provides that, in addition to authority granted by RCW 48.09.220 and 48.09.230, a domestic mutual insurer meeting all the requirements of this act may increase its surplus by issuing a capital call. A capital call requires policyholders or applicants for insurance to pay a sum, in addition to premium, to be eligible to renew a policy or be issued a new policy.

Provides that, a policyholder that does not pay the amount of a call cannot be cancelled or denied the benefits of an existing policy.

Declares that the commissioner may disapprove a capital call if he or she does not believe it is in the best interest of the insurer, the policyholders, or the citizens of the state of Washington. In making this determination, the commissioner may consider the financial health of the insurer, the impact on the marketplace, the possible use of other means to raise capital, the frequency of previous capital calls by the insurer, the effect of raising premiums instead of a capital call, the impact on state revenue, or any other factor the commissioner deems proper.