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**SENATE BILL 5725**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senator Benton

AN ACT Relating to surplus lines; and amending RCW 48.15.050 and 48.15.120.

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

**Sec.**  RCW 48.15.050 and 1947 c 79 s .15.05 are each amended to read as follows:

Every insurance contract procured and delivered as a surplus line coverage pursuant to this chapter ((~~shall~~)) must have stamped upon it and be initialed by or bear the name of the surplus line broker who procured it, the following:

"This contract is registered and delivered as a surplus line coverage under the insurance code of the state of Washington, ((~~enacted in 1947~~)) Title 48 RCW."

**Sec.**  RCW 48.15.120 and 2011 c 31 s 8 are each amended to read as follows:

(1) On or before the first day of March of each year each surplus line broker must remit to the state treasurer through the commissioner a tax on the premiums, exclusive of sums collected to cover federal and state taxes and examination fees, on surplus line insurance subject to tax transacted by him or her during the preceding calendar year as shown by his or her annual statement filed with the commissioner, and at the same rate as is applicable to the premiums of authorized foreign insurers under this code. The tax when collected must be credited to the general fund.

(2) For property and casualty insurance other than industrial insurance under Title 51 RCW, ((~~if~~)) when this state is the insured's home state:

(a) If the surplus line insurance covers risks or exposures located inside the United States, its territories, or both, the tax so payable must be computed upon the entire premium under subsection (1) of this section, without regard to whether the policy covers risks or exposures that are located in this state; and

(b) If the surplus line insurance covers risks or exposures located outside of the United States and its territories, no tax under subsection (1) of this section is due or payable for the premium properly allocable to the risks and exposures located outside the United States and its territories.

(3) For all other lines of insurance, if a surplus line policy covers risks or exposures only partially in this state, the tax so payable must be computed upon the proportion of the premium that is properly allocable to the risks or exposures located in this state.

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