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**SUBSTITUTE SENATE BILL 5187**

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**State of Washington**

**53rd Legislature**

**1993 Regular Session**

**By** Senate Committee on Labor & Commerce (originally sponsored by Senators Moore, Pelz, Prentice and Fraser)

Read first time 01/29/93.

1 AN ACT Relating to eliminating insurance premium tax credits;  
2 amending RCW 48.32A.090; repealing RCW 48.32.145; and declaring an  
3 emergency.

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

5 **Sec. 1.** RCW 48.32A.090 and 1990 c 51 s 6 are each amended to read  
6 as follows:

7 ~~(1) ((The association shall issue to each insurer paying an~~  
8 ~~assessment under this chapter certificates of contribution, in~~  
9 ~~appropriate form and terms as prescribed or approved by the~~  
10 ~~commissioner, for the amounts so paid into the respective funds. All~~  
11 ~~outstanding certificates against a particular fund shall be of equal~~  
12 ~~dignity and priority without reference to amounts or dates of issue.~~

13 ~~(2) An outstanding certificate of contribution shall be shown by~~  
14 ~~the insurer in its financial statements as an admitted asset for such~~  
15 ~~amount and period of time as the commissioner may approve: PROVIDED,~~  
16 ~~That unless a longer period has been allowed by the commissioner the~~  
17 ~~insurer shall in any event at its option have the right to so show a~~  
18 ~~certificate of contribution as an admitted asset at percentages of~~  
19 ~~original face amount for calendar years as follows:~~

1       ~~100% for the calendar year of issuance;~~  
2       ~~80% for the first calendar year after the year of issuance;~~  
3       ~~60% for the second calendar year after the year of issuance;~~  
4       ~~40% for the third calendar year after the year of issuance;~~  
5       ~~20% for the fourth calendar year after the year of issuance; and~~  
6       ~~0% for the fifth and subsequent calendar years after the year of~~  
7       ~~issuance.~~

8       ~~Notwithstanding the foregoing, if the value of a certificate of~~  
9       ~~contribution is or becomes less than one thousand dollars, the entire~~  
10       ~~amount may be written off by the insurer in that year.~~

11       ~~(3) The insurer shall offset the amount written off by it in a~~  
12       ~~calendar year under subsection (2) of this section against its premium~~  
13       ~~tax liability to this state accrued with respect to business transacted~~  
14       ~~in such year.~~

15       ~~(4)) Any sums recovered by the association representing sums which~~  
16       ~~have theretofore been written off by contributing insurers and offset~~  
17       ~~against premium taxes ((as provided in subsection (3) of this~~  
18       ~~section,)) before the effective date of this act shall be paid by the~~  
19       ~~association to the commissioner and ((by him)) then deposited with the~~  
20       ~~state treasurer for credit to the general fund of the state of~~  
21       ~~Washington.~~

22       ~~((+5)) (2) No distribution to stockholders, if any, of a~~  
23       ~~liquidating insurer shall be made unless and until the total amount of~~  
24       ~~assessments levied by the association with respect to such insurer have~~  
25       ~~been fully recovered by the association.~~

26       NEW SECTION.   **Sec. 2.**   RCW 48.32.145 and 1977 ex.s. c 183 s 1 &  
27       1975-'76 2nd ex.s. c 109 s 11 are each repealed.

28       NEW SECTION.   **Sec. 3.**   This act is necessary for the immediate  
29       preservation of the public peace, health, or safety, or support of the  
30       state government and its existing public institutions, and shall take  
31       effect immediately.

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