
HOUSE BILL 1371

State of Washington

54th Legislature

1995 Regular Session

By Representatives L. Thomas, Wolfe, Kessler, Dyer and Jacobsen; by request of Insurance Commissioner

Read first time 01/23/95. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to prohibited investments by insurers; and amending
2 RCW 48.13.270.

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

4 **Sec. 1.** RCW 48.13.270 and 1993 c 92 s 4 are each amended to read
5 as follows:

6 An insurer shall not, except with the commissioner's approval in
7 advance, invest in or loan its funds upon the security of, or hold:

8 (1) Issued shares of its own capital stock, except for the purpose
9 of mutualization in accordance with RCW 48.08.080;

10 (2) ~~((Securities issued by any corporation, except as specifically~~
11 ~~authorized by this chapter directly or by exception, if a majority of~~
12 ~~the outstanding stock of such corporation, or a majority of its stock~~
13 ~~having voting powers, is or will be after such acquisition, directly or~~
14 ~~indirectly owned by the insurer, or by any combination of the insurer~~
15 ~~and the insurer's directors, officers, parent corporation, and~~
16 ~~subsidiaries;~~

17 (3)) Securities issued by any corporation if a majority of its
18 stock having voting power is owned directly or indirectly by or for the
19 benefit of any one or more of the insurer's officers and directors;

1 (~~(4)~~) (3) Any investment or loan ineligible under the provisions
2 of RCW 48.13.030;
3 (~~(5)~~) (4) Securities issued by any insolvent corporation;
4 (~~(6)~~) (5) Obligations contrary to the provisions of RCW
5 48.13.273; or
6 (~~(7)~~) (6) Any investment or security which is found by the
7 commissioner to be designed to evade any prohibition of this code.

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