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SENATE BILL 5262

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State of Washington

60th Legislature

2007 Regular Session

By Senators Franklin, Hobbs, Berkey and Hatfield; by request of Insurance Commissioner

Read first time 01/15/2007. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to the capital and surplus requirements necessary  
2 to transact insurance; and amending RCW 48.05.340.

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

4 **Sec. 1.** RCW 48.05.340 and 2005 c 223 s 2 are each amended to read  
5 as follows:

6 (1) Subject to RCW 48.05.350 to qualify for authority to transact  
7 any one kind of insurance as defined in chapter 48.11 RCW or  
8 combination of kinds of insurance as set forth in this subsection, a  
9 foreign or alien insurer, whether stock or mutual, or a domestic  
10 insurer (~~formed after July 24, 2005,~~) must possess unimpaired paid-in  
11 capital stock, if a stock insurer, or unimpaired surplus if a mutual  
12 insurer, and additional funds in surplus, as follows, and must  
13 thereafter maintain unimpaired a combined total of: (a) The paid-in  
14 capital stock if a stock insurer or surplus if a mutual insurer, plus  
15 (b) additional funds in surplus equal to the total of the following  
16 initial requirements:

		Paid-in capital	
	Kind or kinds	stock or	Additional
	of insurance	basic surplus	surplus
4	Life .....	\$2,000,000	\$2,000,000
5	Disability .....	2,000,000	2,000,000
6	Life and disability ...	2,400,000	2,400,000
7	Property .....	2,000,000	2,000,000
8	Marine &		
9	transportation ....	2,000,000	2,000,000
10	General casualty ....	2,400,000	2,400,000
11	Vehicle .....	2,000,000	2,000,000
12	Surety .....	2,000,000	2,000,000
13	<u>Ocean marine and</u>		
14	<u>foreign trade .....</u>	<u>2,000,000</u>	<u>2,000,000</u>
15	Any two of the		
16	following kinds		
17	of insurance:		
18	Property, marine		
19	& transportation,		
20	general casualty,		
21	vehicle, surety,		
22	<u>ocean marine and</u>		
23	<u>foreign trade,</u>		
24	disability .....	3,000,000	3,000,000
25	Multiple lines (all		
26	insurances except		
27	life and title		
28	insurance) .....	3,000,000	3,000,000
29	Title	2,000,000	2,000,000

30 (2) Capital and surplus requirements are based upon all the kinds  
31 of insurance transacted by the insurer wherever it operates or proposes  
32 to operate, whether or not only a portion of the kinds are to be  
33 transacted in this state.

34 (3) Until December 31, 1996, a foreign or alien insurer holding a  
35 certificate of authority to transact insurance in this state  
36 immediately prior to June 9, 1994, may continue to be authorized to

1 transact the same kinds of insurance as long as it is otherwise  
2 qualified for that authority. A domestic insurer, except a title  
3 insurer, holding a certificate of authority to transact insurance in  
4 this state immediately prior to June 9, 1994, may continue to be  
5 authorized to transact the same kinds of insurance as long as it is  
6 otherwise qualified for such an authority and thereafter maintains  
7 unimpaired the amount of paid-in capital stock, if a stock insurer, or  
8 basic surplus, if a mutual or reciprocal insurer, and special or  
9 additional surplus as required of it under laws in force immediately  
10 prior to June 9, 1994. A domestic insurer that is acquired or merged  
11 must, immediately after completion of an acquisition or merger, meet  
12 the capital and surplus requirements of subsection (1) of this section.  
13 A domestic insurer, upon attaining the capital and surplus requirements  
14 of subsection (1) of this section, may not return to the capital and  
15 surplus requirements existing before June 9, 1994.

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