Chapter 460-10A WAC

DEFINITIONS

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WAC 460-10A-001 Effect of adoption of rules. Those registration statements received prior to the effective date of these rules and regulations, concerning the form and content

(2/1/17)
Definitions

WAC 460-10A-00101 Definitions. The terms used in these rules shall have the meanings set forth in the statutes pursuant to which these rules are adopted, if defined therein, or the meanings expressed in the definitions contained in these rules.

Note: Additional definitions may be found in the North American Securities Administrators Association (NASAA) statement of policy regarding corporate securities definitions, which has been adopted pursuant to WAC 460-16A-205 (1)(m).


WAC 460-10A-015 Division. Means the securities division of the department of financial institutions.

WAC 460-10A-020 Charter documents. Means certificate of incorporation, articles of incorporation, agreement of consolidation or merger, and bylaws of a corporation; declaration of trust; agreement of partnership, certificate of limited partnership, or any other document or instrument adopted to establish or regulate any association, joint stock company, trust, or other entity; as such documents are currently in effect.


WAC 460-10A-030 Default or arrears. Means default or arrears in payment of dividends, interest, sinking fund payment, or principal, on the due date.

WAC 460-10A-070 Assessments. Additional amounts of capital which may be mandatorily required of or paid at the option of a participant beyond his subscription commitment.

WAC 460-10A-110 Net worth. The excess of total assets over total liabilities as determined by generally accepted accounting principles.

WAC 460-10A-160 Nationally recognized securities manual. For the purpose of WAC 460-44A-100, "Nationally recognized securities manual or its electronic equivalent" shall mean: Fitch Investors Service, Mergent's Investor Service, and OTC Markets Group Inc. (with respect to securities included in the OTCQX and OTCQB markets).

WAC 460-10A-170 Officer. The term "officer" means a president, vice president in charge of a business unit or division, treasurer, secretary, chief executive officer, chief operating officer, chief financial officer, person who performs a principal policy making function for a principal business unit or division, or any person occupying a similar status and performing a similar function with respect to any organization, whether incorporated or unincorporated.

WAC 460-10A-175 Director. The term "director" means any director of a corporation or any person occupying a similar status and performing a similar function with respect to any organization, whether incorporated or unincorporated.

WAC 460-10A-215 Security—Viatical and life settlement agreements. (1) A viatical or life settlement agreement constitutes a security if the agreement falls within the definition of "security" under RCW 21.20.005 as an investment contract; an investment of money or other consideration in the risk capital of a venture with the expectation of some valuable benefit to the investor where the investor does not receive the right to exercise practical and actual control over the managerial decisions of the venture; or otherwise.

(2) For purpose of this section, a "viatical or life settlement agreement" means an agreement for consideration for the purchase, assignment, transfer, sale, devise or bequest of any portion of the death benefit under, or ownership of, either an insurance policy or certificate of insurance. A viatical or life settlement agreement does not include:

(a) Any agreement for the original issuance of an insurance policy or certificate of insurance;

(b) An assignment, transfer, sale, devise or bequest of a death benefit under, or ownership of, either an insurance policy or certificate of insurance by the original owner, or a person who has an insurable interest in the insured, to any of the following:

(i) The insured;

(ii) A person who has an insurable interest in the insured;
(iii) A dealer; or
(iv) A person who is engaged in the business of purchasing the death benefit under, or ownership of, either insurance policies or certificates of insurance;
(c) An assignment of an insurance policy or certificate of insurance to any bank, savings bank, savings and loan association, credit union, or other licensed lending institution as collateral for a loan; or
(d) The exercise of accelerated benefits pursuant to the life insurance policy.

[Statutory Authority: RCW 21.20.450. WSR 12-10-051, § 460-10A-215, filed 4/30/12, effective 5/31/12; WSR 02-18-044, § 460-10A-215, filed 8/28/02, effective 9/28/02.]