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He shall so examine each domestic insurer not less frequently than every three years. Examination of an alien insurer may be limited to its insurance transactions in the United States.

(2) As often as he deems advisable and at least once in five years, the commissioner shall fully examine each rating organization and examining bureau licensed in this state. As often as he deems it advisable he may examine each advisory organization and each joint underwriting or joint reinsurance group, association, or organization.

(3) The commissioner shall in like manner examine each insurer or rating organization applying for authority to do business in this state.

(4) In lieu of making his own examination, the commissioner may accept a full report of the last recent examination of a nondomestic insurer or rating or advisory organization, or joint underwriting or joint reinsurance group, association or organization, certified to by the insurance supervisory official of the state of domicile or of entry.

(5) The commissioner may elect to accept and rely on an audit report made by an independent certified public accountant for the insurer in the course of that part of the commissioner's examination covering the same general subject matter as the audit. The commissioner may incorporate the audit report in his report of the examination.

Passed the House February 19, 1979.
Passed the Senate March 2, 1979.
Approved by the Governor March 27, 1979.
Filed in Office of Secretary of State March 27, 1979.

CHAPTER 140
[House Bill No. 802]
SECURITIES REGULATION—DEBENTURE COMPANY, DEFINITION

AN ACT Relating to securities regulation; and amending section 6, chapter 171, Laws of 1973 1st ex. sess. and RCW 21.20.705.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 6, chapter 171, Laws of 1973 1st ex. sess. and RCW 21.20.705 are each amended to read as follows:

When used in this chapter, unless the context otherwise requires, "debenture company" means an issuer of any ((securities)) note, debenture, or other obligation for money used or to be used as capital of the issuer which is offered or sold in this state and is required to be registered under the provisions of this chapter ((and which is not exempted from such registration requirements by RCW 21.20.310)); which issuer is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, leasing, or trading in real or chattel mortgages, deeds of trust, ((or)) land, land or

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personal property contracts, or security agreements and financing statements under the uniform commercial code((, or land contracts, and which has issued or proposes to issue notes, debentures and other obligations for money used or to be used as capital of the issuer)). The term "debenture company" does not include an issuer by reason of any of its securities which are exempt from registration under RCW 21.20.310 or offered or sold in transactions exempt from registration under RCW 21.20.320 (1) or (8).

Passed the Senate March 2, 1979.
Approved by the Governor March 27, 1979.
Filed in Office of Secretary of State March 27, 1979.

CHAPTER 141
[House Bill No. 847]
DEPARTMENT OF SOCIAL AND HEALTH SERVICES—STATUTORY DEVOLUTION