

Sec. 4. Section 104, chapter 85, Laws of 1981 and RCW 32.32.525 are each amended to read as follows:

After July 26, 1981, no converted savings bank may make any loan or discount on the security of its own capital stock, nor be the purchaser or holder of any such shares, unless the security or purchase is necessary to prevent loss upon a debt previously contracted in good faith, in which case the stocks so purchased or acquired shall be sold at public or private sale, or otherwise disposed of, within six months from the time of its purchase or acquisition. The prohibitions of this section do not apply to a purchase of shares approved by the supervisor pursuant to RCW 32.32.210.

Passed the House March 2, 1983.

Passed the Senate April 12, 1983.

Approved by the Governor April 19, 1983.

Filed in Office of Secretary of State April 19, 1983.

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## CHAPTER 45

[House Bill No. 312]

### SAVINGS BANK—CONVERSIONS

AN ACT Relating to mutual savings banks; and adding a new chapter to Title 32 RCW.

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

NEW SECTION. Sec. 1. (1) A domestic savings bank formed under this title may convert itself into a federal mutual or stock savings bank. The conversion shall be effected:

(a) In the case of a mutual savings bank, by the vote of two-thirds of the trustees at a regular or special meeting of the trustees called for such purpose;

(b) In the case of a stock savings bank, by the vote of a majority of the stockholders present, in person or by proxy, at a regular or special meeting of the stockholders called for such purpose.

(2) Notice of the meeting, stating the purpose thereof, shall be given the supervisor at least thirty days prior to the meeting. If the conversion is authorized by the trustees or stockholders at the meeting, the trustees or stockholders are authorized and shall effect such action, and the officers of the savings bank shall execute all proper conveyances, documents, and other papers necessary or proper thereunto. If conversion is authorized, a copy of the minutes of the meeting shall be filed forthwith with the supervisor.

(3) Upon consummation of the conversion, the successor federal savings bank shall succeed to all right, title, and interest of the mutual or stock bank in and to its assets and to its liabilities to the creditors of the savings bank. Upon the conversion, after the execution and delivery of all instruments of transfer, conveyance, and assignment, the domestic savings bank shall be deemed dissolved.

(4) Every federal savings bank, the home office of which is located in this state, and the savings accounts therein, have all the rights, powers, and privileges and are entitled to the same immunities and exemptions as pertain to savings banks organized under the laws of this state.

**NEW SECTION.** Sec. 2. (1) A federal savings bank, the home office of which is located in this state, may convert itself into a domestic savings bank under this title upon approval by the supervisor of banking. For any such conversion, the federal savings bank shall proceed as provided in this chapter for the conversion of a domestic savings bank into a federal savings bank. The conversion shall be effected by the vote of a majority of the members or stockholders present, in person or by proxy, at a regular or special meeting of the members or stockholders called for such purpose.

(2) Upon consummation of the conversion, the successor domestic savings bank shall succeed to all right, title, and interest of the federal savings bank in and to its assets, and to its liabilities to the creditors of such federal savings bank.

**NEW SECTION.** Sec. 3. Sections 1 and 2 of this act shall constitute a new chapter in Title 32 RCW.

Passed the House March 2, 1983.

Passed the Senate April 12, 1983.

Approved by the Governor April 19, 1983.

Filed in Office of Secretary of State April 19, 1983.

## CHAPTER 46

[Substitute Senate Bill No. 3164]

### INSURANCE HOLDING COMPANIES—ACQUISITION PROCEDURES

AN ACT Relating to insurance holding companies; amending section 4, chapter 13, Laws of 1971 ex. sess. and RCW 48.31A.020; amending section 5, chapter 13, Laws of 1971 ex. sess. and RCW 48.31A.030; amending section 7, chapter 13, Laws of 1971 ex. sess. and RCW 48.31A.050; and adding a new section to chapter 48.31A RCW.

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

**NEW SECTION.** Sec. 1. There is added to chapter 48.31A RCW a new section to read as follows:

The purpose of this chapter is to assure that the protections provided generally by the insurance code to policyholders, beneficiaries, claimants, and the insuring public are not dissipated or prejudiced by the fact that an insurer is or may become part of an insurance holding company system.

Sec. 2. Section 4, chapter 13, Laws of 1971 ex. sess. and RCW 48.31A-.020 are each amended to read as follows:

No person other than the issuer or an affiliate of the issuer shall ((make a tender offer for a request or invitation for tenders of, or agreement to))