

"I am returning herewith without my approval as to one section Substitute Senate Bill No. 2519 entitled:

"AN ACT Relating to the council on post-secondary education."

This bill amends current law on the structure and duties of the Council on Higher Education and changes its name to the Council on Post-Secondary Education.

Section 7 contains amendatory language which requires five out of the nine voting members to approve any action taken by the council. The present bylaws of the council require five affirmative votes to approve any substantive action, but not for procedural matters or committee actions where other voting rules and quorum requirements may apply. A statutory mandate requiring five votes for all actions, whether substantive or procedural, is unduly restrictive and serves no useful purpose.

With the exception of section 7, which I have vetoed for the foregoing reasons, the remainder of Substitute Senate Bill No. 2519 is approved."

CHAPTER 133

[Engrossed Senate Bill No. 2332]

WASHINGTON LIFE AND DISABILITY INSURANCE GUARANTY ASSOCIATION

AN ACT Relating to insurance; amending section 6, chapter 259, Laws of 1971 ex. sess. and RCW 48.32A.060; and amending section 9, chapter 259, Laws of 1971 ex. sess. and RCW 48.32A.090.

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

Section 1. Section 9, chapter 259, Laws of 1971 ex. sess and RCW 48.32A.090 are each amended to read as follows:

(1) The association shall issue to each insurer paying an assessment under this chapter certificates of contribution, in appropriate form and terms as prescribed or approved by the commissioner, for the amounts so paid into the respective funds. All outstanding certificates against a particular fund shall be of equal dignity and priority without reference to amounts or dates of issue.

(2) An outstanding certificate of contribution shall be shown by the insurer in its financial statements as an admitted asset for such amount and period of time as the commissioner may approve: PROVIDED, That unless a longer period has been allowed by the commissioner the insurer shall in any event at its option have the right to so show a certificate of contribution as an admitted asset at percentages of original face amount for calendar years as follows:

~~((100% for the calendar year of issuance;
80% for the first calendar year after the year of issuance;
60% for the second calendar year after the year of issuance;
40% for the third calendar year after the year of issuance;
20% for the fourth calendar year after the year of issuance; and
0% for the fifth and subsequent calendar years after the year of issuance.))~~
100% for the calendar year of issuance;
90% for the first calendar year after the year of issuance;
80% for the second calendar year after the year of issuance;
70% for the third calendar year after the year of issuance;
60% for the fourth calendar year after the year of issuance;
50% for the fifth calendar year after the year of issuance;

40% for the sixth calendar year after the year of issuance;
30% for the seventh calendar year after the year of issuance;
20% for the eighth calendar year after the year of issuance;
10% for the ninth calendar year after the year of issuance; and
0% for the tenth and subsequent calendar years after the year of issuance.

(3) The insurer shall offset the amount written off by it in a calendar year under subsection (2) of this section against its premium tax liability to this state accrued with respect to business transacted in such year.

(4) Any sums recovered by the association representing sums which have theretofore been written off by contributing insurers and offset against premium taxes as provided in subsection (3) of this section, shall be paid by the association to the commissioner and by him deposited with the state treasurer for credit to the general fund of the state of Washington.

(5) No distribution to stockholders, if any, of a liquidating insurer shall be made unless and until the total amount of assessments levied by the association with respect to such insurer have been fully recovered by the association.

Sec. 2. Section 6, chapter 259, Laws of 1971 ex. sess. and RCW 48.32A.060 are each amended to read as follows:

(1) The association shall, subject to such terms and conditions as it may impose with the approval of the commissioner, assume, reinsure, or guarantee the performance of the policies and contracts of any domestic life or disability insurer with respect to which an order of liquidation has been entered by any court of general jurisdiction in the state of Washington, and shall have power to receive, own, and administer any assets acquired in connection with such assumption, reinsurance, or guaranty. The association, as to any such policy or contract under which there is no default in payment of premiums subsequent to such assumption, reinsurance, or guaranty, shall make or cause to be made prompt payment of the benefits due under the terms of the policy or contract.

(2) The association shall make or cause to be made payment of the death, endowment, or disability insurance or annuity benefits due under the terms of each policy or contract insuring the life or health of, or providing annuity or other benefits for, a resident of this state which was issued or assumed by a foreign or alien insurer with respect to which an order of liquidation has been entered by a court of competent jurisdiction in the state or country of its domicile.

(3) In determining benefits to be paid with respect to the policies and contracts of a particular liquidating insurer the board may give due consideration to amounts reasonably recoverable or deductible because of the contingent liability, if any, of policyholders of the insurer (if a mutual insurer) or recoverable because of the assessment liability, if any, of the insurer's stockholders (if a stock insurer).

(4) With respect to an insolvent domestic insurer, the board shall have power to petition the court in which the delinquency proceedings are pending for, and the court shall have authority to order and effectuate, such modifications in the terms, benefits, values, and premiums thereafter to be in effect of policies and contracts of the insurer as may reasonably be necessary to effect a bulk reinsurance of such policies and contract in a solvent insurer.

In the event, after the entry of an order of liquidation, an assessment on the members is necessary to increase the assets of the insolvent company to an extent

that a bulk reinsurance of such policies may be effected, the court shall have authority to order such assessment.

(5) In addition to any other rights of the association acquired by assignment or otherwise, the association shall be subrogated to the rights of any person entitled to receive benefits under this chapter against the liquidating insurer, or the receiver, rehabilitator, liquidator, or conservator, as the case may be, under the policy or contract with respect to which a payment is made or guaranteed, or obligation assumed by the association pursuant to this section, and the association may require an assignment to it of such rights by any such persons as a condition precedent to the receipt by such person of payment of any benefits under this chapter.

(6) For the purpose of carrying out its obligations under this chapter, the association shall be deemed to be a creditor of the liquidating insurer to the extent of assets attributable to covered policies and contracts reduced by any amounts to which the association is entitled as a subrogee. All assets of the liquidating insurer attributable to covered policies and contracts shall be used to continue all covered policies and contracts and pay all contractual obligations of the liquidating insurer as required by this chapter. Assets attributable to covered policies and contracts, as used in this subsection, are those in that proportion of the assets which the reserves that should have been established for such policies and contracts bear to the reserves that should have been established for all insurances written by the liquidating insurer.

(7) The association shall have the power to petition the superior court for an order appointing the commissioner as receiver of a domestic insurer upon any of the grounds set forth in RCW 48.31.030.

Passed the Senate April 11, 1975.

Passed the House May 23, 1975.

Approved by the Governor June 2, 1975.

Filed in Office of Secretary of State June 2, 1975.

CHAPTER 134

[Reengrossed Substitute Senate Bill No. 2526]

CONSERVATION AND PROTECTION OF ARCHAEOLOGICAL RESOURCES

AN ACT Relating to ecology and historic preservation; providing for the conservation and protection of archaeological resource; adding a new chapter to Title 27 RCW; defining crimes; and prescribing penalties.

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

NEW SECTION. Section 1. The legislature hereby declares that the public has an interest in the conservation, preservation, and protection of the state's archaeological resources, and the knowledge to be derived and gained from the scientific study of these resources.

NEW SECTION. Sec. 2. The location, excavation, and study of the state's archaeological resources, the providing of information on archaeological sites for their nomination to the state and national registers of historic places, the maintaining of a complete inventory of archaeological sites and collections, and the