WAC 284-16-190 Limitation on values. (1) With respect to values determined under WAC 284-16-180 (2)(a) or (b), amounts attributable to "good will," and other intangibles shall not in the aggregate (of all direct and indirect subsidiaries) exceed (either initially on acquisition of a subsidiary, or thereafter), 10% of the capital and surplus of an insurer, as reported in its next preceding annual statement. Such amounts shall be written off over a period not in excess of ten years, written down for any other than temporary decline of the fair value of an investment as a subsidiary, or other adjustments in accordance with the NAIC statements of statutory accounting principles.

(2) For purposes of this section, "good will" shall be defined as the amount arising at a given point in time, resulting from an arm's-length transaction involving the transfer of a business, representing the difference between the value of the consideration given and the net asset value of the properties acquired on the books of the predecessor company.

(3) Where warranted in exceptional cases, the commissioner may require a more rapid write-off of good will than is otherwise provided in this section.

[Statutory Authority: RCW 48.02.060, 48.12.180, and 48.31B.040. WSR 18-22-007 (Matter R 2018-08), § 284-16-190, filed 10/25/18, effective 11/25/18; Order R 76-7, § 284-16-190, filed 11/30/76.]