

CHAPTER 40.

(H. B. No. 44)

RELATIVE TO LIVE STOCK INSURANCE.

AN ACT providing for the incorporation and regulation of live stock insurance companies and associations, and declaring an emergency.

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

Formation and purposes of.

SECTION 1. Any ten or more persons, residents of this State, who may desire to form a company or association for the purpose of mutual protection of the members thereof against loss of live stock by death from disease, lightning, tornadoes, cyclones, accidents and every other casual or accidental cause, shall make and subscribe written articles of incorporation in triplicate, and acknowledge the same before any officer authorized to take the acknowledgments of deeds,

Where articles shall be filed.

and file one of such articles in the office of the County Auditor in which the principal place of business of the company is intended to be located, a second in the office of the Secretary of State and retain the third in the possession of the company. Said articles shall state the corporate name of the company, the objects for which the same shall be formed,

Articles—what to contain.

the time of its existence, not to exceed fifty years, the number of trustees and their names who shall manage the affairs of the company for such length of time, not less than two nor more than six months, as may be designated in said articles, and the name of the city or town and County in which the principal place of business of the company is to be located; and upon the filing of said articles with the Insurance Commissioner of this State, together with a statement certified under the oath of its President and Secretary showing the amount of the insurance and the number of risks pledged upon its books, and that it has otherwise complied with the provisions of this statute, the Insurance Commissioner shall grant such company or association a certificate of authority to do business. Amendments may be made to the articles of incorporation by supplemental articles executed and filed the same as the original articles. The trustees of any such company shall adopt such by-laws as they may

Certificate of authority.

Amendments.

By-Laws.

deem proper for the government of its affairs and said by-laws shall also provide for the liability of its members, for the payment of losses and expenses: *Provided*, That, such liability shall not be less than a sum equal to one annual pre-^{Liability.}mium nor more than a sum equal to five times the amount of one annual premium, and such liability when so determined by the by-laws shall be the entire liability of each member.

SEC. 2. No policy of insurance shall be issued by such^{Issuance of policies—when.} company or association until no less than two hundred thousand dollars of insurance has been subscribed and entered upon its books.

SEC. 3. No policy of insurance shall be issued for more^{Limit of value} than three-fourths of the estimated cost value of the property insured.

SEC. 4. Any member of such company or association may^{Withdrawal or release from liability.} withdraw and be released from all liability as a member, by surrendering his policy of insurance in such company or association, and by giving five days' notice in writing of his intention to withdraw, and paying all obligations, dues and assessments due or pending at the time of his withdrawal; but the liability of members for their pro rata shares of the losses of such company or association shall not cease until the foregoing conditions have been complied with.

SEC. 5. Every company or association organized or oper-^{Election of trustees.}ating under the provisions of this act shall hold an annual meeting of its members, at which each member shall be entitled to vote on the election of trustees.

SEC. 6. It shall be the duty of the President and Secre-^{Duties of president and secretary.}tary of such company or association doing business under the provisions of this act, on or before the fifteenth day of January of each year, to prepare and file in the office of the Insurance Commissioner of this State a statement certified under the oath of said President and Secretary, exhibiting the following facts and items: First. The amount of the^{Statement—what to show.} property at risk on the thirty-first day of December next preceding the date of the report; the amount of risks added dur-^{Risks.}ing the previous year; the amount of risks cancelled, withdrawn or terminated during the year, and the largest amount of insurance carried on any single risk. Second. The amount of cash received with applications, whether paid to^{Cash receipts.} agents or officers for insurance during the year; the amount received from assessments during the year; the amount re-

ceived from all other sources, and the total income. Third.

Losses.

The amount paid for losses during the year ; the amount paid officers and trustees ; the amount paid office help ; the amount paid agents ; the amount of all other expenditures, and the

Cash on hand

total expenditures. Fourth. The amount of cash on hand ; the amount and nature of all other assets, and the total assets.

Unpaid losses reported.

Fifth. The amount of losses reported during the year and unpaid ; the amount and nature of all other liabilities, and the total liabilities ; and no such company or association shall use or exhibit for advertising purposes any other financial statement than the one referred to in this section, or a copy thereof.

Insurance Commissioner may examine books, etc.—when.

SEC. 7. When it shall appear to the Insurance Commissioner from its annual report, or otherwise, that the solvency of any mutual company or association doing business under this act is impaired, or that the provisions of this act are being violated, he shall immediately make examination of such company or association, and for that purpose he shall have access to all books or papers of the company or association and shall have power to administer oaths and to examine the various officers thereof as to all matters pertaining to the business of such company or association, and also such other witnesses as may be material or important. If the unpaid losses of the company amount to twenty-five cents on each one hundred dollars (\$100.00), insurance actually in force, or if the laws of the State are being violated by the company or association the Commissioner shall order the laws complied with and require all losses to be paid within sixty days. If such company or association shall fail to comply with such requirements within sixty days the Commissioner shall revoke its license to do business until all liabilities shall have been paid in full and the laws are complied with in all respects. And whenever the Commissioner shall make an examination as provided in this section, he shall make a written report of such examination, together with a sworn statement of the expense of such examination, which amount and no more shall be collected from such examined company or association, and file the same in his office. Should any company or association issue a policy of insurance without a license from the Insurance Department of this State, or after the license of such company or association has been suspended or revoked it shall be liable to a penalty of one hundred dollars for each offense: *Provided, however,* That the Insurance

Revocation of license by Insurance Commissioner.

Penalty for unlawful issuance of policy.

Commissioner shall have no power or authority to refuse a live stock insurance company or association a license to do business in this State if such company or association is solvent and has fully complied with the laws of this State: *And provided further*, That such Insurance Commissioner shall have no authority to revoke or suspend the license of any association or corporation transacting the business of mutual live stock insurance if such association or corporation is solvent and complies with the provisions of this act.

SEC. 8. Each insurance company or association doing business under this act shall pay the Insurance Commissioner: For filing articles of incorporation, \$10.00; for annual license to do business in this State, \$10.00; for filing each annual statement, \$10.00; for annual license of each agent or solicitor of such company, \$5.00. Fees to Insurance Commissioner.

SEC. 9. All assessments levied shall be at the rate of fifteen per cent. of the amount of the annual premium charged by stock insurance companies as set forth in rate book number four of the issue of 1900, as issued by the State Insurance Commissioner, or the special rate books used by said companies: *Provided*, Any association or company operating under the provisions of this act may in the discretion of its trustees, accept cash premiums for the term of the policy or premium payable in installments evidenced by promissory notes in lieu of assessments levied upon its members. Assessments.

SEC. 10. Any such association may create a reserve fund for the benefit of its members and invest the same in State, County, School or City bonds or warrants, in the State of Washington, or may loan the same on real estate, such loan in no case to exceed fifty per centum of the assessed valuation of such real estate, and the interest thus earned, when not used on account of the operating expenses of the association, shall be added to and become a part of such reserve fund. Reserve fund.

SEC. 11. Any association heretofore organized in whole or in part in accordance with the provisions of this act shall, upon compliance with all of the provisions of this act that shall have been theretofore complied with, be authorized to do business under this act to the same extent and in the same manner as though hereafter organized. Provision as to old companies.

SEC. 12. The term "persons" as used in this act, shall be held to include corporations; and any such corporation may become a member of any association or corporation organized under this act. Term "person" defined.

Emergency.

SEC. 13. An emergency exists and this act shall take effect immediately.

Passed the House February 9, 1905.

Passed the Senate February 17, 1905.

Approved by the Governor February 27, 1905.

CHAPTER 41.

(S. B. No. 88)

AMENDING ACT REGULATING PRACTICE OF MEDICINE AND SURGERY.

AN ACT to amend Section 3 of an act entitled, "An act to regulate the practice of medicine and surgery in the State of Washington, and to license physicians and surgeons; to punish all persons violating the provisions of this act, and to repeal all laws in conflict therewith, and declaring an emergency," received by the Governor March 28, 1890, and having become a law by reason of not having been filed, with the Governor's objections thereto, in the office of the Secretary of State within the time prescribed by the Constitution of the State, as amended by an act passed by the House of Representatives February 8, 1901, and by the Senate February 14, 1901, thereafter vetoed by the Governor, and passed over his veto by the House of Representatives and by the Senate on February 28, 1901, the same being known as Section 6284 of Pierce's Code.

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

SECTION 1. That Section 3 of an act entitled, "An act to regulate the practice of medicine and surgery in the State of Washington and to license physicians and surgeons; to punish all persons violating the provisions of this act, and to repeal all laws in conflict therewith, and declaring an emergency," received by the Governor March 28, 1890, and having become a law by reason of not having been filed, with the Governor's objections thereto, in the office of the Secretary of State within the time prescribed by the Constitution of the State, as amended by an act passed by the House of Representatives February 8, 1901, and by the Senate February 14, 1901, thereafter vetoed by the Governor, and passed over his veto by the House of Representatives and by the Senate on February 28, 1901, the same being known as