

CHAPTER 120.

[S. B. 233.]

INVESTMENTS OF DOMESTIC INSURANCE COMPANIES.

AN ACT relating to insurance and amending sections 7054-1, 7056, and 7088 of Remington's Revised Statutes.

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

SECTION 1. Section 7054-1 of Remington's Revised Statutes is hereby amended to read as follows:

Section 7054-1. The capital stock of every domestic insurance company required to have a capital to the extent of the minimum capital required by law, except as specifically authorized or limited by this act, shall be invested and kept invested as follows:

(a) In the legally issued bonds, warrants, and securities of the United States, or the District of Columbia, or of any state of the United States, not estimated above their current market value; or,

(b) In the legally issued bonds, warrants, and securities of any county, incorporated city, or incorporated school district of the state, which has not defaulted in the payment of interest on any of its bonds, warrants or securities within three years, and which shall not be estimated above their par value, or their current market value; or,

(c) In the legally issued notes and bonds secured by mortgages or deeds of trust which shall be first liens on unencumbered real property in this state worth fifty per centum more than the amount loaned thereon, except that assessments and taxes not delinquent, party-wall agreements, reservations of minerals, oils, and timber, easements and rights of way for sewer, telephone, telegraph, electric light and power lines, drains, ditches, railroads, etc.; building, use or occupancy restrictions common to

Amends
§ 7054-1 Rem.
Rev. Stat.
(§ 2930 P. C.)

Authorized
investment
of minimum
capital.

the community in which the property is located, liens for service and maintenance of water rights where not delinquent, shall not be regarded as encumbrances: *However*, If under any of such exceptions there is any sum owing but not due or delinquent, the total amount of such sum shall be deducted from the amount which otherwise might be loaned on the property, and the value of any timber or right reserved shall not be included in the appraised value of the property. Where buildings or other improvements constitute a material part of the value of the mortgaged premises, they shall be kept insured against loss or damage by fire in a reasonable amount for the benefit of the mortgagee; or,

(d) In any security or securities or class of security or securities when approved by the Insurance Commissioner.

SEC. 2. That section 7056 of Remington's Revised Statutes is hereby amended to read as follows:

Section 7056. The residue of the capital and the surplus money and funds of every domestic insurance company over and above the amount of the minimum capital required by law shall be invested in or loaned on the pledge of any of the securities approved for investment of minimum capital, in first liens on real property as provided for in subdivision "(c)" of the provisions for investments of minimum capital stock, except only that the real property may be located in any state of the United States; and when authorized and directed by a majority vote of all the directors or trustees of the company, or by a majority of a board or committee authorized by the charter or by-laws of the company or by a majority of a committee duly appointed and authorized by the directors or trustees of the company for the purpose of making investments may be invested in or loaned upon:

(a) The legally issued bonds or warrants of, or local improvement bonds in any solvent municipal

Amends
§ 7056 Rem.
Rev. Stat.
(§ 2930-21
P. C.)

Investment
of residue of
capital and
surplus.

corporation, including those payable solely from the revenues of municipal water works or light and power systems, or in the legally issued bonds or securities of any solvent corporation incorporated under the laws of the United States or of any state thereof;

(b) The legally issued bonds of any solvent irrigation district created as by law provided in this state or in any other state of the United States, whose water rights shall have been legally acquired and finally determined and shall be fully adequate to supply sufficient water to properly irrigate all lands within such districts, and whose storage reservoirs, canals, ditches, flumes, feeders, machinery, equipment, and other works and improvements shall have been acquired, owned, and constructed and be unincumbered except as to such bond issue, and shall be reasonably adequate to fully supply and properly serve such district, and shall have been so far constructed and completed as to be in regular operation and use and adequately irrigating not less than thirty (30) per centum of the lands within such irrigation district.

SEC. 3. That section 7068 of Remington's Revised Statutes is hereby amended to read as follows:

Section 7068. Every domestic insurance company shall have the right to acquire title to any property under the condition of any mortgage owned by it, or by purchase, or sale on execution upon judgment for debts due it previously contracted in the course of its business, or by any process in settlement for debts; and every such company shall have the right in lieu of foreclosure to take title by deed to property covered by any mortgage held by said company which is in default; if such company acquired title to or lien upon any property or securities which it may not otherwise invest in, or loan its funds upon, such company shall dispose of

Amends
§ 7068 Rem.
Rev. Stat.
(§ 2930-14
P. C.)

Time for
disposal of
property
acquired in
course of
business.

all such personal property within one year, and real property within three years from the time of acquiring same, and the commissioner, upon proper showing and application, may extend such period a reasonable time: *Provided, however,* That any such company which has acquired real property in any manner which it is unable to sell advantageously may, with the consent of the insurance commissioner, exchange such property for other real or personal property. Any property acquired as a result of such exchange may be held for the length of time permitted by the insurance code, sold for cash, or in turn exchanged for other property, with the consent of the insurance commissioner.

Passed the Senate March 2, 1937.

Passed the House March 9, 1937.

Approved by the Governor March 13, 1937.

CHAPTER 121.

[S. B. 239.]

TAX ASSESSMENT LISTS.

AN ACT relating to taxation, amending section 65, chapter 130, Laws Extraordinary Session 1925 and section 84, chapter 130, Laws Extraordinary Session 1925 as amended by section 3, chapter 30, Laws of 1935 (sections 11148 and 11245, Remington's Revised Statutes) and declaring an emergency.

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

SECTION 1. That section 65, chapter 130, Laws Extraordinary Session 1925 (section 11148, Remington's Revised Statutes), be amended to read as follows:

Section 65. The assessor shall add up and note the amount of each column in his detail and assess-

Amends
§ 11148 Rem.
Rev. Stat.
(§ 6882-65
P. C.)

Return of
lists by
assessor.