

## CHAPTER 66.

[H. B. 227.]

## INSURANCE AGENTS, SOLICITORS AND BROKERS.

AN ACT relating to insurance; prescribing the qualifications of insurance agents, solicitors and brokers; providing for examination of applicants for license; fixing the conditions on which such license will be issued, denied, suspended, renewed or revoked; amending section 7089 of Remington's Revised Statutes (Pierce's Code, section 2952), being section 45 of chapter 49 of the Laws of 1911, as amended by section 9 of chapter 177 of the Laws of 1915, as amended by section 3 of chapter 26 of the Laws of 1923, and as referred to and affected by provisions relative to nonresident agents in section 7080 of Remington's Revised Statutes, being section 36 of chapter 49 of the Laws of 1911 as amended by section 1 of chapter 84 of the Laws of 1931; dividing said section 7089, as herein amended into new sections to be numbered 7089, 7089-1, 7089-2, 7089-3, 7089-4 and 7089-5, respectively; and repealing all laws and parts of laws in conflict herewith.

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

SECTION 1. That section 7089 of Remington's Revised Statutes (Pierce's Code, section 2952) be and the same is hereby amended, and subdivided into new code sections to be numbered 7089, 7089-1, 7089-2, 7089-3, 7089-4, 7089-5, respectively, to read as follows:

Amends  
§ 7089, Rem.  
Rev. Stat.  
(§ 2952 P. C.)

Section 7089. No license shall be issued to any applicant for an agent's, solicitor's or broker's license until such applicant shall have first made and filed in the commissioner's office an application therefore upon a form to be prescribed by the commissioner, which must be verified by the applicant and shall set forth the following information, together with such other information as the commissioner may require:

Application  
for license,  
contents.

(a) The name, age, business and residence address of the applicant, and if the applicant is a firm or corporation, the name and address of each

member or officer thereof designated to act for applicant; the capacity, whether as agent, solicitor, broker, special agent, general agent or manager which applicant proposes to assume;

(b) Present occupation, occupation for last twelve (12) months, portion of time to be devoted to the work, previous insurance experience and the name of employers during five (5) years next preceding;

(c) Whether any insurance company or general agent claims such applicant is indebted under any agency contract or otherwise, and, if so, the name of the claimant, the nature of the claim and the applicant's defense thereto, if any;

(d) Whether he has had an agency contract cancelled for cause, and, if so, when, by what company or general agent and the reason therefor;

(e) Whether the applicant has at any time been found guilty by a court of competent jurisdiction of a violation of the laws of the United States, or of this or any other state of the United States, and whether the applicant has at any time misappropriated or converted monies of others to his own use or has at any time in a fiduciary capacity illegally withheld monies. Full information concerning any such violation shall be submitted with the application;

(f) That the principal use of such license is not to effect insurance on the applicant's own property or risks or on the property or risks of his employer, or to circumvent or violate the anti-rebate law.

Adds § 7089-1  
Rem. Rev.  
Stat. (§ 2952-  
21 P. C.)

Section 7089-1. Each applicant for agent's license shall be required to file but one application, regardless of the number of companies he is to represent: *Provided*, (a) That no applicant, successful in the examination hereinafter prescribed or otherwise qualified under this act, shall act as agent, solicitor or broker unless and until such license or the temporary license herein provided for life insurance

agents shall be issued to him. An agent's license shall issue only at request of an insurance company authorized to do business in this state and which has paid agent's license fee required by law. A solicitor's license shall be issued only at request of the agent to be represented, who is licensed and has paid the solicitor's license fee required by law. A broker's license shall be issued when the applicant has successfully passed the examination hereinafter prescribed, and shall have paid the license fee required by law; (b) that nonresident agent's licenses shall be issued only for the purpose of writing life insurance, as provided in section 7080 of Remington's Revised Statutes, except that nonresident special agents may be licensed as such; (c) that no solicitor shall be licensed to represent more than one agent, neither shall any applicant be licensed as both agent and solicitor for the same class or classes of insurance at the same time; (d) that no solicitor's license shall be issued unless and until the applicant therefor shall have satisfied the commissioner that he will devote the major portion of his time to soliciting insurance; (e) pending examination as herein provided or qualification in accordance with the provisions of subsection (f) hereof, the commissioner may issue a temporary license to an applicant to act as an agent of a life insurance company, effective for a period not exceeding ninety days, if such applicant be otherwise qualified and be certified by an official or licensed representative of such company as having been enrolled in a course of study required by the company of its agents and approved by the commissioner; (f) that in lieu of the examination provided for in section 7089-3 herein, an applicant for a license as agent of a life insurance company may be certified by an official or licensed representative of such company as having completed and been satisfactorily

Agent's  
license.

Solicitor's  
license.

Broker's  
license.

Temporary  
license.

examined upon a course of study required by the company of its licensed agents: *Provided*, That license shall not issue to such applicant unless and until a copy of his examination papers, duly certified by such official or licensed representative, has been filed with the commissioner and the character and results of such examination found satisfactory by him. In case he shall disapprove of such examination or the results thereof, he may require such applicant to take the examination prescribed in section 7089-3 of this act.

Adds  
§ 7089-2 Rem.  
Rev. Stat.  
(§ 2952-22  
P. C.)

License to  
insure own  
or relative's  
property  
prohibited.

Section 7089-2. No agent's license shall be granted to or renewed for any person, firm or corporation unless the commissioner shall have been satisfied that such license is not being requested exclusively for the purpose of insuring the property or risks of such person, firm or corporation, or the property or risks of such person's immediate family or employer. In the case of renewal, this shall be construed to mean that during the year preceding the application for such renewal, the licensee seeking such renewal shall have written or placed insurance totalling a volume of premiums on insurance for others, greater than the total volume of premiums on insurance which the said licensee shall have written or placed upon his own property or risks or upon the property or risks of his employer or immediate family, or both.

Adds  
§ 7089-3  
Rem. Rev.  
Stat. (§ 2952-  
23 P. C.)

Applicant to  
submit to  
written ex-  
amination.

Section 7089-3. If the applicant has not, prior to the date of application for license, been licensed as an agent, solicitor or broker, either individually or as a member or officer of a firm or corporation holding a license, the commissioner shall, except as provided in section 7089-1 (e) hereof, require such applicant, if a person, and one or more members or officers designated by it if a firm or corporation, to submit to a written examination covering all the kinds of insurance or contracts which the license,

if granted, will permit the applicant to offer. Each application for license calling for an examination as in this section prescribed, must be accompanied by an examination fee of two dollars (\$2.00). All examinations provided for by this section shall be conducted under the rules and regulations prescribed from time to time by the commissioner. The commissioner may appoint an examiner or examiners for purposes of such examination. Examinations shall be held not less frequently than four (4) times a year, at times and places designated by the commissioner, of which applicants shall be notified in writing. Printed copies of a manual of questions pertaining to the examination, published under the direction of the insurance department, will be available to all companies, general agents or managers for use of their prospective agents, to all agents for use of their prospective solicitors and to all brokers, in preparing for the examination. The questions to be asked shall be based upon the questions contained in the manual. Success in passing the examination shall be determined by the commissioner or by the examiners appointed by him.

Fee.

Manual of questions.

Section 7089-4. A license may, after notice and hearing and subject to appeal to the superior court of Thurston county under the procedure laid down in section 7090 of Remington's Revised Statutes, be denied, revoked, or the renewal thereof refused by the commissioner if he finds that the holder of or the applicant for such license:

Adds § 7089-4  
Rem. Rev.  
Stat. (§ 2952-  
24 P. C.)

License  
refused or  
revoked.

(a) Has willfully violated any provisions of the insurance laws; or

Grounds:

(b) Has intentionally made a material misstatement in the application to qualify for such license; or

(c) Has obtained or attempted to obtain a license by fraud or misrepresentation; or

(d) Has been guilty of fraudulent or dishonest practices; or

(e) Has misappropriated or converted to his own use or illegally withheld monies required to be held in a fiduciary capacity; or

(f) Has materially misrepresented the terms and conditions of policies or contracts of the company he represented; or

(g) Has made any misrepresentation or incomplete comparison of life insurance policies, oral, written, or otherwise, to any person insured in any company for the purpose of inducing or intending to induce a policy holder in any company to lapse, forfeit or surrender his insurance therein, and to take out a policy in another company insuring against similar risk; or

(h) Has been guilty of rebating; or

(i) Has conducted his business in such a manner as to cause injury to the public or to those with whom he is dealing; or

(j) Has failed to pass the examination prescribed in conformity with this act.

Civil actions.

Any licensee guilty of such act or practice shall, independently of and in addition to any other penalty, forfeit to the State of Washington the sum of one hundred dollars (\$100.00), to be recovered in a civil action brought in behalf of the state by the attorney general.

Adds § 7089-5 Rem. Rev. Stat. (§ 2952-25 P. C.)

Expiration of license.

Section 7089-5. Every license issued to an agent, broker or solicitor shall expire on the thirty-first day of March next after its issue, but any license issued and in force when this act takes effect or thereafter issued, may, in the discretion of the commissioner, be renewed for a succeeding year or years by a renewal certificate without the commissioner's requiring the detailed information prescribed by this act.

Conflicting laws.

SEC. 2. All laws and parts of laws in conflict herewith are hereby repealed.

Partial invalidity.

SEC. 3. If any part of this act shall be declared invalid by a court of competent jurisdiction, the re-

mainder thereof shall be and remain in full force and effect.

Passed the House February 11, 1937.

Passed the Senate March 4, 1937.

Approved by the Governor March 13, 1937.

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## CHAPTER 67.

[H. B. 297.]

### COMMISSION MERCHANTS.

AN ACT relating to persons engaged in buying and selling agricultural products; providing for licenses; defining "agricultural product," "commission merchant," "dealer," "agent," "consignor," "retail merchant," "broker," and other terms; exempting producers, retail merchants, non-profit cooperative marketing associations, certain processors, certain warehousemen, nurserymen, and certain grain dealers, and certain persons bonded under designated laws of the United States, from certain provisions of this act; requiring commission merchants to have bonds; repealing chapter 194 of the Laws of the Extraordinary Session of 1925 as subsequently amended; making an appropriation; providing penalties; and declaring an emergency.

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

SECTION 1. Definitions. (a) "Agricultural product" whenever used in this act shall include any horticultural, viticultural, berry, poultry, grain, livestock, bee or other farm product; "Agricultural product."

(b) "Commission merchant" whenever used in this act shall include any person, firm, association, exchange or corporation who receives any agricultural product to be sold on commission for the account of, or as agent for another, or who shall buy or accept any agricultural product in trust from anyone for the purpose of sale or resale or processing and who shall fail to pay in full for such produce at the time of receiving it or at the time its value may be determined; "Commission merchant."