

NEW SECTION. Sec. 2. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House February 19, 1973.

Passed the Senate February 28, 1973.

Approved by the Governor March 8, 1973.

Filed in Office of Secretary of State March 8, 1973.

CHAPTER 79

[House Bill No. 758]

FRATERNAL BENEFIT INSURANCE CERTIFICATES--
VALUATION STANDARDS

AN ACT Relating to fraternal benefit insurance; amending section .32.23, chapter 79, Laws of 1947 and RCW 48.36.230; and repealing section .32.36, chapter 79, Laws of 1947, section 15, chapter 197, Laws of 1953 and RCW 48.36.360.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section .32.23, chapter 79, Laws of 1947 and RCW 48.36.230 are each amended to read as follows:

Every society transacting business in this state shall annually, on or before the fifteenth day of March, file with the commissioner in such form as he may require, a statement under oath of its president and secretary, or corresponding officers, of its condition and standing on the thirty-first day of December next preceding, and of its transactions for one year ending on that date, and also shall furnish such other information as the commissioner may deem necessary to a proper exhibit of its business and plan of working. The commissioner may at other times require any further statement he may deem necessary to be made relating to such society.

In addition to the annual report herein required, each society shall annually report to the commissioner in valuation of its certificates in force on the thirty-first day of December last preceding excluding those issued within the year for which the report is filed, in cases where the contributions for the first year in whole or in part are used for current mortality and expenses: PROVIDED, That the first report of valuation shall be made as of December 31, 1931. Such report of valuation shall show, as contingent liabilities, the present midyear value of the promised benefits provided in the constitution and laws of such society under certificates then subject to valuation; and as contingent assets, the present midyear value of the future net contributions provided in the

constitution and laws as the same are in practice actually collected. At the option of any society in lieu of the above, the valuation may show the net value of the certificates subject to valuation hereinbefore provided, and said net value, when computed in case of monthly contributions, may be the mean of the terminal values for the end of the preceding and of the current insurance years. Such valuation shall be certified by a competent accountant or actuary, or, at the request and expense of the society, verified by the actuary of the department of insurance of the home state of the society, and shall be filed with the commissioner within ninety days after the submission of the last preceding annual report. The legal minimum standard of valuation ((for all certificates, except for disability benefits, shall be the National Fraternal Congress Table of Mortality as adopted by the National Fraternal Congress August 23, 1899, or, at the option of the society, any higher table, or at its option, it may use a table based upon the society's own experience of at least twenty years and covering not less than one hundred thousand lives with interest assumption not more than four percent per annum. Each such valuation report shall set forth clearly and fully the mortality and interest basis and the method of valuation. Each society shall value its certificates according to the plan named therein. Any society providing for disability benefits shall keep the net contributions for such benefits in a fund separate and apart from all other benefit and expense funds and the valuation of all other business of the society: PROVIDED, That where a combined contribution table is used by a society for both death and permanent total disability benefits, the valuation)) shall be according to tables of reliable experience and in such case a separation of the funds shall not be required.

The minimum standard of valuation for all certificates issued on or after the effective date of this act shall be four percent interest and the following tables:

(a) For certificates of life insurance, American men ultimate table of mortality, with Bowerman's or Davis' extension thereof, the commissioners 1941 standard industrial mortality table, the commissioners 1961 standard industrial mortality table, the commissioners 1941 standard ordinary mortality table, or the commissioners 1958 standard ordinary mortality table using an age not more than three years younger than the actual age of the insured for female risks;

(b) For annuity certificates, including life annuities provided or available under optional modes of settlement in such certificates, the 1937 standard annuity mortality table, annuity mortality table for 1949 ultimate, or the 1971 individual annuity mortality table, or any modification of these tables approved by the

commissioner:

(c) For disability benefits issued in connection with life benefit certificate, Hunter's disability table or class III disability table (1926), modified to conform to the contractual waiting period, or the tables of period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 disability study of the society of actuaries with due regard to the type of benefit, any tables of which for active lives shall be combined with a mortality table permitted for calculating the reserves on life insurance certificates;

(d) For accidental death benefits issued in connection with life benefit certificate, the intercompany double indemnity mortality table or the 1959 accidental death benefits table combined with a mortality table permitted for calculating the reserves for life insurance certificates; and

(e) For accident and sickness benefits, the society shall maintain an active life reserve which shall place a sound value on its liabilities under such certificates and which shall not be less, in the aggregate than the reserve according to the standards set forth in the regulations issued by the commissioner and, in no event, less than the pro rata gross unearned premium reserve for such certificates.

An annual report of such valuation and an explanation of the facts concerning the condition of the society thereby disclosed shall be printed and mailed to each beneficiary member of the society not later than June 1st of each year, or, in lieu thereof, such report of valuation and showing of the society's condition as thereby disclosed may be published in the society's official paper and the issue containing the same mailed to each beneficiary member of the society. The laws of such society shall provide that if the stated periodical contributions of its members, together with the admitted assets, are insufficient to mature its certificates in full, and to provide for the creation and maintenance of the funds required by its laws, additional, increased or extra rates of contribution shall be collected from the members to meet such deficiency; and such laws may provide that, upon the written application or consent of the member, his certificate may be charged with its proportion of any deficiency disclosed by valuation, with interest not exceeding five percent per annum.

NEW SECTION. Sec. 2. Section .32.36, chapter 79, Laws of 1947, section 15, chapter 197, Laws of 1953 and RCW 48.36.360 are each repealed.

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CHAPTER 80

[Senate Bill No. 2386]

WASHINGTON INDUSTRIAL SAFETY AND HEALTH ACT

AN ACT Relating to safe and healthful working conditions for men and women; providing for the regulation of work places subject to the legislative jurisdiction of the state of Washington; providing powers and duties; creating a new chapter in Title 49 RCW; repealing section 2, chapter 70, Laws of 1957 and RCW 49.16.010; repealing section 1, chapter 130, Laws of 1919 and RCW 49.16.020; repealing section 4, chapter 130, Laws of 1919 and RCW 49.16.030; repealing section 5, chapter 130, Laws of 1919 and RCW 49.16.040; repealing section 8, chapter 130, Laws of 1919 and RCW 49.16.050; repealing section 20, chapter 130, Laws of 1919 and RCW 49.16.060; repealing section 21, chapter 130, Laws of 1919 and RCW 49.16.070; repealing section 23, chapter 130, Laws of 1919 and RCW 49.16.080; repealing section 25, chapter 130, Laws of 1919, section 12, chapter 136, Laws of 1923 and RCW 49.16.090; repealing section 26, chapter 130, Laws of 1919 and RCW 49.16.100; repealing section 37, chapter 130, Laws of 1919 and RCW 49.16.110; repealing section 50, chapter 130, Laws of 1919, section 13, chapter 136, Laws of 1923 and RCW 49.16.120; repealing section 67, chapter 130, Laws of 1919 and RCW 49.16.130; repealing section 73, chapter 130, Laws of 1919 and RCW 49.16.150; repealing section 13, chapter 182, Laws of 1921, section 14, chapter 136, Laws of 1923, section 1, chapter 186, Laws of 1943 and RCW 49.16.151; repealing section 30, chapter 74, Laws of 1911 and RCW 49.16.160; repealing section 1, chapter 84, Laws of 1905, section 1, chapter 205, Laws of 1907, section 1, chapter 17, Laws of 1943, section 1, chapter 98, Laws of 1959 and RCW 49.20.010; repealing section 2, chapter 84, Laws of 1905, section 2, chapter 98, Laws of 1959, section 1, chapter 62, Laws of 1963 and RCW 49.20.020; repealing section 3, chapter 84, Laws of 1905 and RCW 49.20.030; repealing section 4,