

may to the judge seem necessary for the protection of the public health and the fish and shellfish inhabiting the waters of this state.

Passed the House February 24, 1927.

Passed the Senate March 8, 1927.

Approved by the Governor March 19, 1927.

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## CHAPTER 300.

[H. B. 292.]

### INSURANCE CODE—GROUP LIFE INSURANCE.

AN ACT relating to insurance and amending Article III, Title XLV, of Remington's Compiled Statutes, by adding five new sections 7242-1, 7242-2, 7242-3, 7242-4 and 7242-5.

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

SECTION 1. That article III, title XLV of Remington's Compiled Statutes be amended by adding thereto five new sections to be known as sections 7242-1, 7242-2, 7242-3, 7242-4 and 7242-5.

Section 7242-1. Group life insurance is hereby declared to be that form of life insurance covering not less than twenty-five employees with or without medical examination, written under a policy issued to the employer, the premium on which is to be paid by the employer or by the employer and the employees jointly, and insuring only all of his employees, or all of any class or classes thereof determined by conditions pertaining to the employment, for amounts of insurance based upon some plan which will preclude individual selection, for the benefit of persons other than employer: *Provided, however,* That when the premium is to be paid by the employer and employees jointly and the benefits of the policy are offered to all eligible employees, not less than seventy-five per centum of such employees may be so insured.

Secs. 3131-1,  
3131-2,  
3131-3,  
3131-4,  
3131-5  
Pierce's  
Code.

Group life  
insurance on  
employees.

Premium  
payable by  
employer and  
employees.

Minimum  
must insure.

Section 7242-2. No policy of group life insurance shall be issued or delivered in this state unless and until a copy of the form thereof has been filed with the state insurance commissioner and formally approved by him; nor shall such policy be so issued or delivered unless it contains in substance the following provisions:

Approval by insurance commissioner.

Provisions of policy:

(1) A provision that the policy shall be incontestable after two years from its date of issue, except for non-payment of premiums and except for violation of the conditions of the policy relating to military or naval service in time of war.

Incontestable.

(2) A provision that the policy, the application of the employer and the individual applicants, if any, of the employees insured, shall constitute the entire contract between the parties, and that all statements made by the employer or by the individual employees shall, in the absence of fraud, be deemed representations and not warranties, and that no such statement shall be used in defense to a claim under the policy, unless it is contained in a written application.

Statements deemed representations.

(3) A provision for the equitable adjustment of the premium or the amount of insurance payable in the event of a misstatement of the age of an employee.

Misstatement as to age—adjustment.

(4) A provision that the company will issue to the employer for delivery to the employee, whose life is insured under such policy, an individual certificate setting forth a statement as to the insurance protection to which he is entitled, to whom payable, together with provisions to the effect that in case of the termination of the employment for any reason whatsoever the employee shall be entitled to have issued to him by the company, without evidence of insurability, and upon application made to the company within thirty-one days after such termination,

Individual policy of insurance to employee when employment terminated.

and upon the payment of the premium applicable to the class of risk to which he belongs and to the form and amount of the policy at his then attained age, a policy of life insurance in any one of the forms customarily issued by the company, except term insurance, in an amount equal to the amount of his protection under such group insurance policy at the the time of such termination.

(5) A provision that to the group or class thereof originally insured shall be added from time to time all new employees of the employer eligible to insurance in such group or class. Except as provided in this act it shall be unlawful to make a contract of life insurance covering a group in this state.

New employees added to group.

Policies of group life insurance when issued in this state by any company not organized under the laws of this state, may contain, when issued, any provision required by the laws of the state, or territory, or district of the United States under which the company is organized; and policies issued in other states or countries by companies organized in this state, may contain any provision required by the laws of the state, territory, district or country, in which the same are issued, anything in this section to the contrary notwithstanding. Any such policy may be issued or delivered in this state which in the opinion of the state insurance commissioner contains provisions on any one or more of the several foregoing requirements more favorable to the employer or to the employee than hereinbefore required.

Policy to contain provisions required by state where company organized.

Section 7242-3. No domestic life insurance company shall issue any policy of group life insurance, the premium for which shall be less than the net premium based on the American Men Ultimate Table of Mortality, with interest at three and one-half per centum per annum, plus a loading, the formula for

Domestic life insurance company.

Premium required.

the computation of which shall be approved by the insurance commissioner. A foreign life insurance company which shall not conduct its business in accordance with this requirement shall not be permitted to do business in this state. Any such policy may, however, anything in this act to the contrary notwithstanding, provide for a readjustment of the rate based on experience at the end of the first or any subsequent year of insurance, which readjustment may be made retroactive for such policy year only.

Foreign life insurance company premium requirement.

Readjustment of premium rate

Section 7242-4. The legal minimum standard for the valuation of group term insurance policies under which premium rates are not guaranteed for a period in excess of five years shall be the American Men Ultimate Table or [of] Mortality with interest at three and one-half per centum per annum.

Minimum standard for premium rates.

Section 7242-5. In every group policy issued by a domestic life insurance company, the employer shall be deemed to be the policy-holder for all purposes within the meaning of this act, and, if entitled to vote at meetings of the company, shall be entitled to one vote thereat.

Employer deemed policy-holder.

Passed the House February 28, 1927.

Passed the Senate March 8, 1927.

Approved by the Governor March 19, 1927.