

hundred dollars; clerk, nine thousand one hundred dollars; treasurer, nine thousand one hundred dollars; assessor, nine thousand one hundred dollars; sheriff, ten thousand five hundred dollars; prosecuting attorney, nine thousand nine hundred dollars; members of board of county commissioners, six thousand five hundred dollars;

Counties of the eighth class: Auditor, nine thousand one hundred dollars; clerk, nine thousand one hundred dollars; treasurer, nine thousand one hundred dollars; sheriff, ten thousand five hundred dollars; assessor, nine thousand one hundred dollars; prosecuting attorney, nine thousand nine hundred dollars; members of the board of county commissioners, six thousand five hundred dollars.

Counties of the ninth class: Auditor-clerk, eight thousand two hundred dollars; treasurer-assessor, eight thousand two hundred dollars; sheriff, nine thousand four hundred dollars; prosecuting attorney, nine thousand nine hundred dollars; members of the board of county commissioners, six thousand one hundred dollars.

The county legislative authority of such county is authorized to increase or decrease the salary of such office: PROVIDED, That the legislative authority of the county shall not reduce the salary of any official below the amount which such official was receiving on January 1, 1973.

One-half of the salary of each prosecuting attorney shall be paid by the state.

Passed the Senate March 22, 1973.

Passed the House April 13, 1973.

Approved by the Governor April 20, 1973.

Filed in Office of Secretary of State April 23, 1973.

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CHAPTER 89  
[Senate Bill No. 2515]  
TRUSTS--LIFE INSURANCE  
INVESTMENT AUTHORITY

AN ACT Relating to the power or authority to direct or control the acts of a trustee or the investments of a trust, authorizing the investment of trust funds in certain policies of life insurance and declaring that certain fiduciaries have an insurable interest in the lives of certain beneficiaries and others; amending section .18.03, chapter 79, Laws of 1947 and RCW 48.18.030; and adding new sections to chapter 33, Laws of 1955 and to chapter 3C.24 RCW.

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

NEW SECTION. Section 1. There is added to chapter 33, Laws of 1955 and to chapter 30.24 RCW a new section to read as follows:

Within the standards of judgment and care established by law, and subject to any express provisions or limitations contained in any particular trust instrument, guardians, trustees and other fiduciaries, whether individual or corporate, are authorized to invest the principal of trust funds to acquire and retain policies of life insurance made upon the life of any person for whose benefit the fiduciary holds property or made upon the life of another in whose life such person has an insurable interest, the policy and the proceeds or avails thereof to be the property of the fiduciary.

The purpose of this section is to affirm that certain policies of life insurance are among the investments authorized for fiduciaries, but without creating any inference that a policy of life insurance is preferable to other authorized investments in a particular instance.

NEW SECTION. Sec. 2. There is added to chapter 33, Laws of 1955 and to chapter 30.24 RCW a new section to read as follows:

Whenever power or authority to direct or control the acts of a trustee or the investments of a trust is conferred directly or indirectly upon any person other than the designated trustee of the trust, such person shall be deemed to be a fiduciary and shall be liable to the beneficiaries of said trust and to the designated trustee to the same extent as if he were a designated trustee in relation to the exercise or nonexercise of such power or authority.

Sec. 3. Section .18.03, chapter 79, Laws of 1947 and RCW 48.18.030 are each amended to read as follows:

(1) Any individual of competent legal capacity may procure or effect an insurance contract upon his own life or body for the benefit of any person. But no person shall procure or cause to be procured any insurance contract upon the life or body of another individual unless the benefits under such contract are payable to the individual insured or his personal representatives, or to a person having, at the time when such contract was made, an insurable interest in the individual insured.

(2) If the beneficiary, assignee or other payee under any contract made in violation of this section receives from the insurer any benefits thereunder accruing upon the death, disablement or injury of the individual insured, the individual insured or his executor or administrator, as the case may be, may maintain an action to recover such benefits from the person so receiving them.

(3) "Insurable interest" as used in this section and in RCW 48.18.060 includes only interests as follows:

(a) In the case of individuals related closely by blood or by

law, a substantial interest engendered by love and affection; and

(b) in the case of other persons, a lawful and substantial economic interest in having the life, health or bodily safety of the individual insured continue, as distinguished from an interest which would arise only by, or would be enhanced in value by, the death, disablement or injury of the individual insured.

(c) An individual heretofore or hereafter party to a contract or option for the purchase or sale of an interest in a business partnership or firm, or of shares of stock of a close corporation or of an interest in such shares, has an insurable interest in the life of each individual party to such contract and for the purposes of such contract only, in addition to any insurable interest which may otherwise exist as to the life of such individual.

(d) A guardian, trustee or other fiduciary has an insurable interest in the life of any person for whose benefit the fiduciary holds property, and in the life of any other individual in whose life such person has an insurable interest.

Passed the Senate March 20, 1973.

Passed the House April 10, 1973.

Approved by the Governor April 20, 1973.

Filed in Office of Secretary of State April 23, 1973.

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CHAPTER 90

[Senate Bill No. 2571]

INDUSTRIAL DEVELOPMENT CORPORATIONS--LOAN LIMIT  
INCREASE--HISTORIC PRESERVATION AUTHORITY

AN ACT Relating to industrial development corporations; amending section 5, chapter 162, Laws of 1963 and RCW 31.24.050; and adding a new section to chapter 31.24 RCW.

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

Section 1. Section 5, chapter 162, Laws of 1963 and RCW 31.24.050 are each amended to read as follows:

Any financial institution may request membership in the corporation by making application to the board of directors on such form and in such manner as said board of directors may require, and membership shall become effective upon acceptance of such application by said board.

Each member of the corporation shall make loans to the corporation as and when called upon by it to do so on such terms and other conditions as shall be approved from time to time by the board