

peace, health and safety, and it shall accordingly take effect immediately.

Passed the House March 4, 1913.

Passed the Senate March 12, 1913.

Approved by the Governor March 18, 1913.

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## CHAPTER 109.

[H. B. 207.]

### AMENDING INSURANCE CODE.

AN ACT relating to insurance, and amending sections 79, 83, and 84 of chapter 49 of the Laws of 1911.

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

SECTION 1. That section 79 of chapter 49 of the Laws of 1911 be amended to read as follows:

Section 79. *Existing Companies—Continue.*

Every domestic insurance company previously organized, and licensed to transact insurance business in this state at the time this act goes into effect, is hereby recognized as an existing company, and shall have the right to continue such business under the provisions of this act: *Provided*, That such company whose capital does not meet the requirements of this act shall have four years from the first day of January, nineteen hundred and twelve, in which to conform to the requirements of this act relating thereto.

SEC. 2. That section 83 of chapter 49 of the Laws of 1911 be amended to read as follows:

Section 83. All insurance business in this state is hereby classified as follows:

(1) Fire and marine insurance, upon buildings and other property against loss or damage by fire, lightning, wind storms, cyclones, tornadoes, hail, or earthquakes, water from the breakage or leakage of sprinklers, pumps, or other apparatus erected for extinguishing fires, and water pipes; and against accidental injury to such sprink-

[Amends  
§ 79, ch. 49,  
L. '11;  
Pierce's  
Code, 1912,  
255 § 157.]

Existing  
companies.

Time limit.

[Amends  
§ 83, ch. 49,  
L. '11;  
Pierce's  
Code, 1912,  
255 § 165.]

Fire.

lers, pumps or other apparatus; and against loss or damage arising from the prevention or suspension of rent or use and occupation of any building, plant or manufacturing establishment due to the hazard or peril insured against; and upon vessels, boats, cargoes, goods, merchandise, freight and other property against loss or damage by the risks of lake, river, canal and inland transportation and navigation, including insurance upon automobiles, whether stationary or being operated under their own power, and reinsurance of any risks taken in this class; but not upon ocean marine risks, and other casualty insurance risks. Marine.

(2) Marine insurance, being ocean and inland risks, transportation and automobiles, but not including any other casualty insurance as hereinafter provided. Marine insurance on land transportation.

(3) Life insurance, being [including] endowments and annuities, but not including health, or accident or sickness insurance or any other casualty insurance as hereinafter provided. Life.

(4) Accident insurance, and either sickness or health insurance being insurance against injury, disablement, or death resulting from travel or general accident, and against disablement resulting from sickness; and every insurance appertaining thereto. Accident.

(5) Fidelity and surety insurance, being the guaranteeing of persons holding the places of public or private trust; guaranteeing the performance of contracts other than insurance policies; or guaranteeing and executing all bonds, undertakings and contracts of suretyship. Fidelity.

(6) Liability insurance, being all insurance against loss or damage resulting from accident to or injury, fatal or non-fatal, suffered by an employe or other person and for which the insurer is liable. Liability.

(7) Plate glass insurance, being all insurance against breakage of glass, whether local or in transit. Plate glass.

(8) Boiler and machinery insurance, being insurance upon steam boilers and upon pipes, engines and machinery Boiler.

connected therewith and operated thereby, against explosion and accident, and against loss or damage to life, person or property, resulting therefrom.

Burglary. (9) Burglary insurance, being insurance against loss by burglary, house breaking or theft.

Sprinkler. (10) Sprinkler insurance, being insurance against loss or damage by water to any goods or premises arising from the breakage or leakage of sprinklers or water pipes.

Credit. (11) Credit insurance, being insurance, or guaranty either by agreement to purchase incollectible [uncollectable] debts, or otherwise to insure against loss or damage from the failure of persons indebted or to become indebted to the insured, or to meet existing or contemplated liabilities.

Title. (12) Title insurance, insuring or guaranteeing owners of property or others interested therein, against loss by encumbrance, or defective titles, or adverse claim to title, either together with or without examination of title or furnishing information relative thereto.

Team and vehicle. (13) Team and vehicle insurance, being insurance against loss, damage or legal liability for loss, because of damage to property or persons caused by the use of teams or vehicles operated by power not generated in or upon the vehicle, whether by accident or collision, and including insurance against theft of the whole or any part of any vehicle. The term vehicle, as herein used, includes elevators and bicycles.

Automobile. (13½) Motor vehicle insurance, being insurance on motor vehicles operated by power generated within or on such vehicles, except those operating on water or on rails, against loss or damage or loss of use of or to the vehicle, furnishings, tools, appliances and equipment; or legal liability for loss or damage to persons or property resulting through the operation of the vehicle; caused by fire, self ignition and explosion, theft, collision, or other insurable hazards, including all hazards incident to transporting such vehicle by land or by water.

(14) Miscellaneous insurance, being insurance upon any risk not included within or under either of the foregoing classes, and which is a proper subject of insurance, not prohibited by law or contrary to sound public policy.

Miscellaneous.

SEC. 3. That section 84 of chapter 49 of the Laws of 1911 be amended to read as follows:

[Amends  
§ 8, ch. 49,  
L. '11;  
Pierce's  
Code, 1912,  
255 § 167.]

Section 84. *Class or Classes of Insurance Permitted.*

Any insurance company having the required amount of capital, or assets, when permitted by its articles of incorporation or charter, may be authorized and licensed by the commissioner to make insurance in this state under one or more of the classes prescribed in the several paragraphs in section eighty-three of this act, as follows:

Must have license.

(1) *Fire and Inland Marine Companies; Qualifications.*

No stock company shall make insurance in this state under class one of section eighty-three of this act, without having capital stock of at least two hundred thousand dollars, of which not less than one-half must be paid in in cash or like securities authorized by this act, and the remainder, in cash or like securities, paid within one year after the company is incorporated, and a surplus of not less than fifty thousand dollars, nor shall such company make insurance in this state, in any other of said classes of insurance specified in said section, except in classes two, seven, ten and thirteen and one-half; and is not to make insurance in class two or thirteen and one-half without having additional capital of at least one hundred thousand dollars for each of said classes, and is not to make insurance in classes seven, ten and thirteen and one-half (excepting against the hazard of injury to persons) in addition to class one without having additional capital of at least fifty thousand dollars; or in addition to classes one and two without having a capital stock of at least three hundred and fifty thousand dollars.

Capital of fire insurance company.

Additional capital.

(2) *Marine Insurance Company; Qualifications.*

No stock insurance company shall make insurance in this state under class two of section eighty-three without

Marine insurance requirements.

Additional  
capital.

having a capital stock of at least one hundred thousand dollars fully paid and a surplus of not less than fifty thousand dollars, nor shall such company make insurance in this state in any other of said classes of insurance excepting in classes one and thirteen and one half (excepting against the hazard of injury to persons); nor make insurance in class one without having additional capital of at least one hundred thousand dollars; nor make insurance in class thirteen and one-half (excepting against the hazard of injury to persons) in addition to class two without having additional capital of at least fifty thousand dollars, nor in addition to classes one and two without having a capital stock of at least three hundred and fifty thousand dollars.

(3) *Life Insurance Companies; Qualifications.*

Life  
insurance.

No stock insurance company shall make insurance in this state under class three of section eighty-three without having a capital stock fully paid of at least one hundred thousand dollars with a surplus of not less than fifty thousand dollars, nor shall such company make insurance in this state in any other of said classes of insurance except in classes four and six; nor to make insurance in class four without having additional capital of at least fifty thousand dollars; nor to make insurance in class six without having additional capital of at least two hundred thousand dollars; nor to make insurance in classes four and six without having additional capital of at least two hundred and fifty thousand dollars.

Additional  
capital.

(4) *Title Insurance Companies; Qualifications.*

Title in-  
surance.

No company shall issue contracts of guaranty or title insurance in this state, under class twelve of section eighty-three, until and unless it deposit and maintain on deposit through the office of the insurance commissioner, with the state treasurer, a guaranty fund in securities authorized by this act as legal investments for the capital or funds of insurance companies, in amounts as follows: (a) In counties having a population of five hundred thousand or more as evidenced by the last official census of the United

Size of  
county to  
fix re-  
quirements.

States or of the State of Washington, the guaranty fund shall be not less than two hundred thousand dollars; (b) In counties having a population of not less than three hundred thousand nor more than five hundred thousand as evidenced by said census, the guaranty fund shall not be less than one hundred and fifty thousand dollars; (c) In counties having a population of not less than one hundred and fifty thousand nor more than three hundred thousand, as evidenced by said census, the guaranty fund shall not be less than one hundred thousand dollars; (d) In counties having a population of not less than one hundred thousand nor more than one hundred and fifty thousand, as evidenced by said census, the guaranty fund shall be not less than seventy-five thousand dollars; (e) In counties having a population of not less than sixty thousand nor more than one hundred thousand, as evidenced by said census, the guaranty fund shall be not less than fifty thousand dollars; (f) In counties having a population of not less than thirty-five thousand nor more than sixty thousand, as evidenced by said census, the guaranty fund shall be not less than twenty-five thousand dollars; (g) In counties having a population of not less than fifteen thousand nor more than thirty-five thousand, as evidenced by said census, the guaranty fund shall be not less than fifteen thousand dollars; (h) And in counties having a population of less than fifteen thousand, as evidenced by said census, the guaranty fund shall be not less than ten thousand dollars. Any company authorized to issue contracts of guaranty, or title insurance in any county of this state shall be permitted and authorized to issue contracts of guaranty and title insurance in one or more other counties of this state: *Provided*, Its guaranty fund on deposit with the state treasurer is equal to the maximum amount hereinbefore required of a company issuing contracts of guaranty or title insurance in any of such counties: *Provided further*, If any company shall have complied or shall thereafter comply with the provisions of this act for the county in which it has its principal

May do  
business in  
more than  
one county.

place of business no other company authorized to issue contracts of guaranty or title insurance in any other county of this state shall be permitted to issue contracts of guaranty or title insurance therein after the expiration of its certificate of authority then held unless it has deposited or shall thereafter deposit with the state treasurer through the office of the insurance commissioner securities in addition to those then required of such company in the same amount as required for such county: *Provided further*, That when any company authorized to issue contracts of guaranty or title insurance in any county of the state shall have and maintain on deposit with the state treasurer a guaranty fund in securities authorized by this act in the total amount of two hundred thousand dollars, such company shall be permitted and authorized to issue contracts of guaranty and title insurance in all of the counties of this state: *Provided further*, That nothing herein contained shall prevent any company authorized to issue contracts of guaranty or title insurance in any county of this state from underwriting or re-insuring in whole or in part contracts of guaranty or title insurance by any other company. The provisions of this act shall in no wise be interpreted to apply to persons, co-partnerships, or corporations engaged in the business of preparing and issuing abstracts of, but not guaranteeing or insuring, title to property and certifying to the correctness thereof.

(5) *Fidelity and Surety Insurance Companies; Qualifications.*

No stock insurance company shall make insurance in this state under class five of section eighty-three without having a capital stock fully paid of at least two hundred thousand dollars and a surplus of not less than one hundred thousand dollars, nor shall such company make insurance in this state in any other of said classes of insurance specified in section eighty-three, excepting classes four, six, seven, eight, nine, ten, eleven, thirteen, thirteen and one-half, and fourteen; and it shall not make insur-

Additional securities required.

Whole state requirement.

Abstractors exempt.

Fidelity requirements.

ance in classes six or thirteen and one-half without having additional capital of at least one hundred thousand dollars for each of said classes; such company may make insurance in classes seven, eight, nine, ten, eleven, thirteen, thirteen and one-half (excepting against the perils of fire), and fourteen when it has additional capital of at least fifty thousand dollars.

Additional  
capital.

(6) *Liability Insurance Companies; Qualifications.*

No stock insurance company shall make insurance in this state under class six of section eighty-three without having a capital stock of at least two hundred thousand dollars fully paid and a surplus of not less than one hundred thousand dollars; nor shall such company make insurance in this state in any other of said classes of insurance specified in this section except in classes four, five, seven, eight, nine, ten, eleven, thirteen, thirteen and one-half and fourteen; and it shall not make insurance in classes five or thirteen and one-half without having additional capital of at least one hundred thousand dollars for each of said classes. Such company may make insurance in one or all of the following classes: four, seven, eight, nine, ten, eleven, thirteen, thirteen and one-half (excepting against the perils of fire), or fourteen when it has additional capital of at least fifty thousand dollars.

Liability  
requirements.

Additional  
capital.

(6½) *Motor Vehicle Insurance Companies; Qualifications.*

No stock insurance company shall make insurance in this state under class thirteen and one-half of section eighty-three without having a capital stock of at least two hundred thousand dollars fully paid and a surplus of not less than one hundred thousand dollars.

Automobile  
requirements.

(7) *Other Companies; Requirements.*

No stock insurance company shall make insurance in this state in either of the following classes specified in section eighty-three: four, seven, eight, nine, ten, eleven, thirteen and fourteen, without having a capital stock of at least one hundred thousand dollars fully paid and a surplus of not less than twenty-five thousand dollars, nor

General  
requirements.

shall such company make insurance in more than one of said classes unless it shall have additional capital of not less than fifty thousand dollars: *Provided, however,* That the requirement of a surplus as provided in this section shall only apply to domestic insurance companies organizing and commencing to transact the business of making insurance and that such companies may use such surplus in establishing the company in business without impairment of the company.

(8) *Assessment. Mutual—Fraternal Companies.*

Mutual company exempt.

The provisions of this section shall not apply to life or fire insurance companies operating on the mutual, or assessment, or fraternal plan.

Passed the House February 20, 1913.

Passed the Senate February 28, 1913.

Approved by the Governor March 19, 1913.

CHAPTER 110.

[H. B. 341.]

RELATING TO BUILDING AND LOAN ASSOCIATIONS.

[This repeats all of Title XXI of Rem.-Bal.; Pierce's Code, 1912, 405 §§ 183-257.]

AN ACT relating to the organization and to the management, regulation and control of building and loan and savings and loan associations and societies; providing penalties for the violation thereof; and repealing sections 3601 to 3638 inclusive of Remington & Ballinger's Annotated Codes and Statutes of Washington.

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

Ten or more citizens may organize.

SECTION 1. Ten or more persons, citizens of the State of Washington, may form a savings and loan association or savings and loan society for the purpose of accumulating the savings and funds of its members and lending its shareholders or others the funds so accumulated by making and acknowledging in quadruplicate and by filing as hereinafter required articles of incorporation specifying:

(a) The name of the proposed association, which shall terminate with the words "Savings and Loan Association," or "Savings and Loan Society."

Name.