

Funds received by the department of emergency services specifically for the purposes of compensating search and rescue volunteers shall be distributed by the director of emergency services to help fund medical and compensation coverage provided by this chapter and provide reimbursement by the state for: (1) Costs involved in extraordinary search and rescue operations such as search and rescue operations lasting over twenty-four hours where food and lodging for workers is necessary; (2) excessive transportation and rescue costs incurred by out-of-county residents which would not be otherwise collectible; and (3) compensation as provided in RCW 38.52.020(1)(d) as now or hereafter amended.

NEW SECTION. Sec. 6. To carry out the purposes of this 1979 act, there is appropriated from the general fund to the department of emergency services the sum of fifty-five thousand dollars. In any fiscal year, the director of emergency services shall not give any of the funds appropriated in this section to any political subdivision which has reduced its operating budget expenditures for search and rescue operations to less than the amount budgeted and expended for the same purpose in the preceding fiscal year.

Passed the House June 1, 1979.

Passed the Senate May 30, 1979.

Approved by the Governor June 25, 1979.

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## CHAPTER 269

[House Bill No. 845]

### INSURANCE AGENTS—LICENSES—BROKERS. BOND

AN ACT Relating to insurance; amending section .14.01, chapter 79, Laws of 1947 as last amended by section 1, chapter 182, Laws of 1977 ex. sess. and RCW 48.14.010; amending section .17.16, chapter 79, Laws of 1947 as last amended by section 20, chapter 150, Laws of 1967 and RCW 48.17.160; amending section .17.17, chapter 79, Laws of 1947 and RCW 48.17.170; amending section .17.18, chapter 79, Laws of 1947 and RCW 48.17.180; amending section .17.20, chapter 79, Laws of 1947 as amended by section 14, chapter 303, Laws of 1955 and RCW 48.17.200; amending section .17.50, chapter 79, Laws of 1947 as last amended by section 6, chapter 182, Laws of 1977 ex. sess. and RCW 48.17.500; amending section .17.15, chapter 79, Laws of 1947 as last amended by section 47, chapter 292, Laws of 1971 ex. sess. and RCW 48.17.150; amending section 17.25, chapter 79, Laws of 1947 and RCW 48.17.250; repealing section .17.40, chapter 79, Laws of 1947 and RCW 48.17.400; and providing an effective date.

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

Section 1. Section .14.01, chapter 79, Laws of 1947 as last amended by section 1, chapter 182, Laws of 1977 ex. sess. and RCW 48.14.010 are each amended to read as follows:

(1) The commissioner shall collect in advance the following fees:

(A) FOR FILING CHARTER DOCUMENTS:	
(i) Original charter documents, bylaws or record of organization of insurers, or certified copies thereof, required to be filed.....	\$250.00
(ii) Amended charter documents, or certified copy thereof, other than amendments of bylaws.....	\$ 10.00
(iii) No additional charge or fee shall be required for filing any of such documents in the office of the secretary of state.	
(B) CERTIFICATE OF AUTHORITY:	
(i) Issuance.....	\$ 25.00
(ii) Renewal.....	\$ 25.00
(C) ANNUAL STATEMENT OF INSURER, FILING.....	\$ 20.00
(D) ORGANIZATION OR FINANCING OF DOMESTIC INSURERS AND AFFILIATED CORPORATIONS:	
(i) Application for solicitation permit, filing.....	\$100.00
(ii) Issuance of solicitation permit.....	\$ 25.00
(E) AGENTS' LICENSES:	
(i) Agent's <u>qualification</u> licenses ( <del>for life, or disability insurance, only, or both for same insurer,)</del> each year.....	\$ <del>((+10.00))</del> 25.00
(ii) <del>((Agent's license for other kind or kinds of insurance, each year..... \$ 25.00))</del> Filing of appointment of each such agent, <u>each year</u> .....	\$ 10.00
(iii) Limited license issued pursuant to RCW 48.17.190, each year.....	\$ 10.00
<del>((iv) Temporary license as agent..... \$ 10.00))</del>	
(F) BROKERS' LICENSES:	
(i) Resident or nonresident broker, each year.....	\$ 50.00
(ii) Surplus line broker, <del>((twelve-month period))</del> <u>each year</u> .....	\$100.00
<del>((iii) Temporary license as broker..... \$ 50.00))</del>	
(G) SOLICITORS' LICENSE, EACH YEAR.....	\$ 10.00
(H) ADJUSTERS' LICENSES:	
(i) Independent adjuster, each year.....	\$ 25.00
(ii) Public adjuster, each year.....	\$ 25.00

- (I) RESIDENT GENERAL AGENT'S LI-  
CENSE, EACH YEAR ..... \$ 25.00
- (J) EXAMINATION FOR LICENSE, EACH  
EXAMINATION:
  - (i) Filing application for first examination  
for license ..... \$ 5.00
  - (ii) Resident or nonresident broker's license ..... \$ 50.00
  - (iii) All other examinations ..... \$ 10.00
- (K) MISCELLANEOUS SERVICES:
  - (i) Filing other documents ..... \$ 5.00
  - (ii) Commissioner's certificate under seal ..... \$ 5.00
  - (iii) Copy of documents filed in the com-  
missioner's office, reasonable charge  
therefor as determined by the  
commissioner.

(2) All fees so collected shall be remitted by the commissioner to the state treasurer not later than the first business day following, and shall be placed to the credit of the general fund.

Sec. 2. Section .17.16, chapter 79, Laws of 1947 as last amended by section 20, chapter 150, Laws of 1967 and RCW 48.17.160 are each amended to read as follows:

(1) Each insurer on appointing an agent in this state shall file written notice thereof (~~((in duplicate))~~) with the commissioner on forms as prescribed and furnished by (~~((him))~~) the commissioner, and shall pay the filing fee therefor as provided in RCW 48.14.010. (~~((If then licensed, or as soon as li-  
censed;))~~) The commissioner shall ((mail one copy of)) return the appointment ((to the)) of agent form to the insurer for distribution to the agent. The commissioner may adopt regulations establishing alternative appointment procedures for individuals within licensed firms or corporations who are empowered to exercise the authority conferred by the firm or corporate license.

(2) Each (~~((such))~~) appointment shall (~~((continue in force until:~~

~~((a) The commissioner notifies the insurer that the person so appointed is no longer licensed as an agent by this state, or~~

~~((b)) be effective until the agent's license expires or is revoked, the ap-  
pointment has expired, or written notice of termination of the appointment  
is filed with the commissioner, whichever occurs first.~~

(3) When the appointment is revoked by the insurer ((by)), written no-  
tice of such revocation shall be given to the agent((~~- The insurer shall  
forthwith file a duplicate copy of such notice of revocation with the com-  
missioner. No fee shall be charged for filing such copy.~~

((3)) and a copy of the notice of revocation shall be mailed to the  
commissioner.

(4) Revocation of an appointment by the insurer shall be deemed to be effective as of the date designated in the notice as being the effective date if the notice is actually received by the agent prior to such designated date; otherwise, as of the earlier of the following dates:

(a) The date such notice of revocation was received by the agent.

(b) The date such notice, if mailed to the agent at his last address of record with the insurer, in due course should have been received by the agent.

(5) Appointments shall be for one year and shall expire if not timely renewed. Each insurer shall annually pay the renewal fee set forth for each agent holding an appointment on the annual renewal date assigned the agents of the insurer by the commissioner. The commissioner, by rule, shall determine renewal dates. If a staggered system is used, fees shall be prorated in the conversion to a staggered system.

Sec. 3. Section .17.17, chapter 79, Laws of 1947 and RCW 48.17.170 are each amended to read as follows:

~~((+))~~ Agents', solicitors', adjusters' and brokers' licenses shall be in the form ~~((as the commissioner prescribes, and shall set forth:~~

~~(a) The name and address of the licensee; or if he is required to have a place of business, the address of the place of business;~~

~~(b) if the agent or broker is a firm or corporation, the name of each individual authorized to exercise the powers conferred by the license;~~

~~(c) the kind or kinds of insurance the licensee is thereby licensed to handle;~~

~~(d) if an agent's license for life or disability insurances only, the name of the insurer as to which he is so licensed, and a separate license shall be required as to each such insurer;~~

~~(e) if a solicitor's license, the name and address of the agent or broker represented by the solicitor;~~

~~(f) the conditions under which the license is granted;~~

~~(g) the date of issuance and date of expiration of the license.~~

~~(2) The commissioner is not required to issue a separate license to each agent licensed for life or disability insurances only. In lieu thereof he may issue to the insurer his license certificate setting forth the names and addresses of the insurer's agents so licensed in this state. Each such license certificate shall be serially numbered and shall constitute official evidence of the licensing of each licensee designated therein. Any such insurer may furnish its agents so licensed with evidence of authority to represent the insurer, upon such form as is submitted to and approved)) and contain the essential information prescribed by the commissioner.~~

Sec. 4. Section .17.18, chapter 79, Laws of 1947 and RCW 48.17.180 are each amended to read as follows:

(1) A firm or corporation shall not be licensed as an agent, adjuster, or broker unless each individual ~~((to-be))~~ empowered ~~((and designated in the~~

license)) to exercise the ((powers)) authority conferred ((thereby is qualified as though he were the sole individual to be so empowered)) by the corporate or firm license is also licensed. A nonresident of this state shall not be so designated or empowered. Exercise or attempted exercise of ((such)) the powers of the firm or corporation by an ((individual not so designated)) unlicensed person, with the knowledge or consent of the ((licensee)) firm or corporation, shall constitute cause for the revocation or suspension of the license.

(2) Licenses shall be issued in a trade name only upon proof satisfactory to the commissioner that the trade name has been lawfully registered.

Sec. 5. Section .17.20, chapter 79, Laws of 1947 as amended by section 14, chapter 303, Laws of 1955 and RCW 48.17.200 are each amended to read as follows:

~~((1)) An agent ((appointed by an insurer for life insurance, or for life and disability insurances, or for disability insurance only, shall be separately licensed as to such insurer:~~

~~(2) An agent is required to have but one license inclusive of all other kinds or combination of kinds of insurance he is licensed to handle, regardless of the number of insurers for whom he is appointed as agent for such insurances or any of them:~~

~~(3) An agent or broker shall have separate and additional license or licenses as to each office location in excess of one, maintained by him in this state for the transaction of business as such agent or broker)) is required to have but one license regardless of the number of appointments by insurers the agent may have.~~

Sec. 6. Section .17.50, chapter 79, Laws of 1947 as last amended by section 6, chapter 182, Laws of 1977 ex. sess. and RCW 48.17.500 are each amended to read as follows:

~~(1) ((Agents' license for life, or life and disability, or disability insurances only shall expire as at 12:01 a.m. o'clock on the first day of October next following date of issuance)) All agents' licenses issued by the commissioner shall be valid for the time period established by the commissioner unless:~~

~~(a) Suspended or revoked; or~~

~~(b) The licensee ceases to hold a valid appointment by an insurer.~~

~~(2) All brokers', solicitors', and adjusters' licenses shall ((expire as at 12:01 a.m. o'clock on the first day of April next following date of issuance)) be valid for the time period established by the commissioner unless suspended or revoked at an earlier date.~~

~~(3) ((Agents' licenses for all other kinds of insurance or combinations thereof shall expire as at 12:01 a.m. o'clock on the first day of April three years after the first day of April nearest to the date of issuance of the license: PROVIDED, That any such license issued or renewed to be effective on or after July 1, 1977, shall expire as at 12:01 a.m. o'clock on the first~~

~~day of April next following date of issuance or renewal))~~ The commissioner, by rule, shall determine renewal dates for licenses of all agents, brokers, solicitors, and adjusters. If a staggered system is used, fees shall be prorated in the conversion to a staggered system.

(4) ~~((Except as provided in subsection (3) of this section and))~~ Subject to the right of the commissioner to suspend, revoke, or refuse to renew any agent's, broker's, solicitor's, or adjuster's license as provided in this code, any such license may be renewed into another like period by filing with the commissioner on or before the expiration date a written request, by or on behalf of the licensee, for such renewal accompanied by payment of the renewal fee as specified in RCW 48.14.010. An agent or broker shall make and file renewal requests on behalf of his solicitors.

~~((5))~~ If the request and fee for renewal of an agent's, broker's, solicitor's, or adjuster's license is filed with the commissioner prior to expiration of the existing license, the licensee may continue to act under such license, unless sooner revoked or suspended, until the issuance of a renewal license or until the expiration of fifteen days after the commissioner has refused to renew the license and has mailed order of such refusal to the licensee. Any request for renewal not so filed until after date of expiration may be considered by the commissioner as an application for a new license.

~~((6))~~ (5) As to all licenses, if request for renewal of an agent's license or appointment or broker's, solicitor's, or adjuster's license or payment of the ((license)) fee is not received by the commissioner prior to the expiration date as required under subsection (4) of this section, the insurer or applicant for renewal ((of license)) shall pay to the commissioner and the commissioner shall collect, in addition to the regular ((license)) fee, a surcharge ((for such license)) as follows: For the first thirty days or part thereof of delinquency the surcharge shall be fifty percent of the ((license)) fee; for all delinquencies extending more than thirty days, the surcharge shall be one hundred percent of the ((license)) fee. This subsection shall not be deemed to exempt any person from any penalty provided by law for transacting business without a valid and subsisting license or appointment, or affect the commissioner's right, at his discretion, to consider such delinquent application as one for a new license or appointment.

Sec. 7. Section .17.15, chapter 79, Laws of 1947 as last amended by section 47, chapter 292, Laws of 1971 ex. sess. and RCW 48.17.150 are each amended to read as follows:

(1) To qualify for an agent's or broker's license an applicant must otherwise comply with this code therefor and must

(a) be eighteen years of age or over, if an individual;

(b) be a bona fide resident of and actually reside in this state, or if a corporation, be other than an insurer and maintain a lawfully established place of business in this state, except as provided in RCW 48.17.330;

(c) be empowered to be an agent or broker, as the case may be, under its members' agreement, if a firm, or by its articles of incorporation, if a corporation;

(d) complete such minimum educational requirements for the issuance of an agent's license for the kinds of insurance specified in RCW 48.17.210 as may be required by regulation issued by the commissioner;

(e) successfully pass any examination as required under RCW 48.17.110;

~~((f))~~ (f) be a trustworthy person;

~~((g))~~ (g) not intend to use or use the license for the purpose principally of writing controlled business, as defined in RCW 48.17.080;

~~((h))~~ (h) if for an agent's license, be appointed as its agent by one or more authorized insurers, subject to issuance of the license; and

~~((i))~~ (i) if for broker's license, have had at least two years experience either as an agent, solicitor, adjuster, general agent, broker, or as an employee of insurers or representatives of insurers, and special education or training of sufficient duration and extent reasonably to satisfy the commissioner that he possesses the competence necessary to fulfill the responsibilities of broker.

(2) The commissioner shall by regulation establish minimum continuing education requirements for the renewal or reissuance of a license to an agent or a broker: PROVIDED, That the commissioner shall require that continuing education courses will be made available on a state-wide basis in order to ensure that persons residing in all geographical areas of this state will have a reasonable opportunity to attend such courses. The continuing education requirements shall be appropriate to the license for the kinds of insurance specified in RCW 48.17.210: PROVIDED FURTHER, That the continuing education requirements may be waived by the commissioner for good cause shown.

(3) If the commissioner finds that the applicant is so qualified and that the license fee has been paid, he shall issue the license. Otherwise, the commissioner shall refuse to issue the license.

Sec. 8. Section .17.25, chapter 79, Laws of 1947 as amended by section 4, chapter 182, Laws of 1977 ex. sess. and RCW 48.17.250 are each amended to read as follows:

(1) Every applicant for a broker's license or for the renewal of a broker's license existing on the effective date of this code shall file with the application or request for renewal and shall thereafter maintain in force while so licensed a bond in favor of the people of the state of Washington, executed by an authorized corporate surety approved by the commissioner, in the amount of twenty thousand dollars. If the applicant is a firm or corporation, the bond shall be in the amount of twenty thousand dollars plus five thousand dollars for the second and five thousand dollars for each additional individual empowered and designated in the license to exercise the powers

conferred thereby. The bond may be continuous in form, and total aggregate liability on the bond may be limited to the (~~payments of twenty thousand dollars~~) required amount of the bond. The bond shall be contingent on the accounting by the broker to any person requesting the broker to obtain insurance, for moneys or premiums collected in connection therewith.

(2) Any such bond shall remain in force until the surety is released from liability by the commissioner, or until the bond is canceled by the surety. Without prejudice to any liability accrued prior to such cancellation, the surety may cancel the bond upon thirty days advance notice in writing filed with the commissioner.

NEW SECTION. Sec. 9. Section .17.40, chapter 79, Laws of 1947 and RCW 48.17.400 are each repealed.

NEW SECTION. Sec. 10. This act shall take effect on April 1, 1980. The insurance commissioner is authorized to immediately take such steps as are necessary to insure that this 1979 act is implemented on its effective date.

Passed the House June 1, 1979.  
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CHAPTER 270  
[House Bill No. 516]  
BUDGET—OPERATING AND CAPITAL

AN ACT Adopting the budget; making appropriations and authorizing expenditures for the operations of state agencies for the fiscal biennium beginning July 1, 1979, and ending June 30, 1981; making appropriations and authorizing expenditures for capital improvements; authorizing certain projects; designating effective dates for certain appropriations; providing an effective date; and declaring an emergency.

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

NEW SECTION. Section 1. A budget is hereby adopted and, subject to the provisions set forth in the following sections, the several amounts specified in the following sections, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated, reappropriated, and authorized to be disbursed for salaries, wages, capital projects, and other expenses of the agencies and offices of the state and for other specified purposes for the fiscal biennium beginning July 1, 1979, and ending June 30, 1981, except as otherwise provided, out of the several funds of the state hereinafter named.

NEW SECTION. Sec. 2. FOR THE HOUSE OF REPRESENTATIVES

General Fund Appropriation . . . . . \$ 16,728,000