

CHAPTER 65.

[ H. B. 243. ]

INCORPORATION OF INSURANCE COMPANIES.

AN ACT relating to insurance, prescribing the number of directors of insurance companies, and amending Section 85 of Chapter 49 of the Laws of 1911.

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

SECTION 1. That section 85 of chapter 49 of the Laws of 1911, as amended by section 1 of chapter 107 of the Laws of the Extraordinary Session of 1925, (section 7130 of Remington's Compiled Statutes) be amended to read as follows:

Amends § 85, ch. 49, Laws of 1911; § 1, ch. 107, Ex. Laws of 1925; § 7130, Rem. Comp. Stat.

Section 85. The following number of citizens of the United States, two-thirds of which number shall be residents of the State of Washington, may incorporate a company as follows: For a stock company, not less than five; for a mutual company, not less than ten; for an organization on the plan known as "Lloyds", not less than twenty; for an organization of "Inter-Insurers", not less than twenty-five; for one or more of the purposes specified in section 7128 of Remington's Compiled Statutes by making and subscribing written articles of incorporation in quadruplicate and acknowledging the same before an officer authorized to take acknowledgment of deeds, and after having the same approved by the commissioner, by filing one of such articles in the office of the secretary of state, another in the office of the insurance commissioner, another in the office of the auditor of the county in which the principal office of the company is to be located, and retaining the fourth in the possession of the company, which articles shall state:

Incorporators, number.

Purposes.

Articles acknowledged.

Contents.

First. The names and addresses of the incorporators.

Names, addresses.

Name of  
company.

Second. The name of the company.

Objects.

Third. (a) The object for which the company is formed; (b) whether it is a stock or mutual company, and if a mutual company, whether it will insure on the cash premium or assessment plan; (c) the class or classes of risks wherein it will make insurance, according to the divisions made in this act.

Capital  
stock, shares.

Fourth. (a) If a stock company, the amount of the capital stock, and the number of shares, which shall be of the par value of one hundred dollars each; (b) if it be a mutual company, the minimum and maximum liability of its members or policyholders for the payment of losses occurring under its policies, which liability shall be not less than two nor more than six times the amount of the premium usually charged by solvent stock insurance companies for insuring like or similar risks for the same term, and if that premium is not known, then the premium used shall be according to either the "Dean" schedule or the "Universal Mercantile" schedule for fire risks, and such schedule for other class or classes of risks as may be approved by the commissioner.

Time of  
existence.

Fifth. The time of its existence, not to exceed fifty years: *Provided*, That this limit of existence shall not apply to any life insurance company.

Number of  
trustees.

Sixth. The number of trustees or directors which shall not be less than five and their names and addresses, who shall manage the affairs of the company for such length of time, not less than two nor more than six months, as may be designated in such articles of incorporation.

Principal  
place of  
business.

Seventh. The name of the city or town in which the principal place of business of the company is to be located in this state, and in what country or countries it intends to transact business.

Amendments.

Amendments may be made to the articles of incorporation of a stock company, by a majority vote

of its trustees or directors, and the vote or written assent of two-thirds of the capital stock of the company, and, if a mutual company, by the majority vote of its trustees or directors and the vote or written assent of two-thirds of the members or policyholders of such company. If the written assent of two-thirds of the capital stock of a stock company, or members or policyholders of a mutual company has not been obtained, then the vote of the said stock, or of said members may be taken, at any regular meeting of the stockholders or members called for that purpose in the manner provided in the by-laws of such company for special meetings of stockholders or members.

The president and secretary of said company shall certify said amendments in quadruplicate under the seal of said company to be correct, and shall file and keep the same as in the case of original articles of incorporation and from the time of filing said amendments such company shall have the same powers, and the stockholders thereof shall be subject to the same liabilities as if said amendment had been embraced in the original articles of incorporation. A policyholder in a mutual insurance company has the same character of interest and occupies the same relation to the company as the stockholder has and occupies to a stock insurance company. Execution

Nothing in this section shall be construed to cure or amend any defect existing in any articles of incorporation in that such articles did not set forth the matter required to make the same valid at the time of filing, nor to cure or amend any defect in the execution thereof. The time of existence of such company shall not be extended by amendments beyond the time fixed in the original articles of incorporation. Defects not cured

No such company shall take the name of a domestic company theretofore organized, nor that Name to be taken.

of an alien or foreign company admitted to this state, nor one so nearly resembling that or either as to be misleading. The expenses of incorporation and organization, including the placing of the capital stock of any such company incorporated after January 1, 1911, shall not exceed seven and one-half per centum of the par value of the stock actually sold.

Passed the House February 21, 1931.

Passed the Senate March 10, 1931.

Approved by the Governor March 19, 1931.

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## CHAPTER 66.

[ H. B. 268. ]

### CANCELLATION OF CERTAIN TAXES PAYABLE BY JEFFERSON COUNTY.

AN ACT providing for, authorizing and directing the cancellation of certain state taxes payable by Jefferson County.

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

SECTION 1. It appearing that by error on the part of the county assessor of Jefferson county in making the abstract of the taxable value of personal property in such county, in the year 1929, there was charged against said Jefferson county by the state auditor for state taxes, payable by such county, the sum of \$8,706.00 in excess of the amount which should have been charged against such county; wherefore the obligation of Jefferson county and its offices, except for this act, to pay said sum of \$8,706.00 to the state treasurer and to the State of Washington, is hereby canceled; and the state treasurer and state auditor are hereby authorized and directed to cancel upon the account books in their respective offices, to the extent of \$8,706.00 the state

Error  
occurred.

Auditor,  
treasurer  
to cancel  
on books.