

The term "venereal disease case investigator" shall mean only those persons who:

- (1) Are employed by public health authorities; and
- (2) Have been trained by a doctor in proper procedures to be employed when withdrawing blood in accordance with training requirements established by the department of social and health services; and
- (3) Possess a statement signed by the instructing doctor that the training required by subsection (2) of this section has been successfully completed.

The term "doctor" means any person licensed under the provisions of chapters 18.57 or 18.71 RCW.

Passed the House February 22, 1977.

Passed the Senate March 7, 1977.

Approved by the Governor March 25, 1977.

Filed in Office of Secretary of State March 25, 1977.

## CHAPTER 60

[Substitute House Bill No. 385]

### LIFE INSURANCE POLICIES—PURCHASE CANCELLATION

AN ACT Relating to life insurance; and adding a new section to chapter 48.23 RCW.

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

NEW SECTION. Section 1. There is added to chapter 48.23 RCW a new section to read as follows:

Every individual life insurance policy issued after September 1, 1977, shall have printed on its face or attached thereto a notice stating in substance that the policy owner shall be permitted to return the policy within ten days after it is received by the policy owner and to have the premium paid refunded if, after examination of the policy, the policy owner is not satisfied with it for any reason. If a policy owner pursuant to such notice, returns the policy to the insurer at its home or branch office or to the agent through whom it was purchased, it shall be void from the beginning and the parties shall be in the same position as if no policy had been issued.

This section shall not apply to individual life insurance policies issued in connection with a credit transaction or issued under a contractual policy change or conversion privilege provision contained in a policy.

Passed the House February 22, 1977.

Passed the Senate March 4, 1977.

Approved by the Governor March 25, 1977.

Filed in Office of Secretary of State March 25, 1977.

## CHAPTER 61

[House Bill No. 386]

### INSURANCE CONNECTION WITH DEBT OR LOAN

AN ACT Relating to insurance; amending section 20, chapter 193, Laws of 1957 and RCW 48.30.260; and amending section 6, chapter 219, Laws of 1961 as amended by section 1, chapter 82, Laws of 1967 ex. sess. and RCW 48.34.060.

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

Section 1. Section 20, chapter 193, Laws of 1957 and RCW 48.30.260 are each amended to read as follows:

(1) Every debtor or borrower, when property insurance of any kind is required in connection with the debt or loan, shall have reasonable opportunity and choice in the selection of the agent, broker, and insurer through whom such insurance is to be placed; but only if the insurance is properly provided for the protection of the creditor or lender not later than at commencement of risk as to such property as respects such creditor or lender, and in the case of renewal of insurance, only if the renewal policy, or a proper binder therefor containing a brief description of the coverage bound and the identity of the insurer in which the coverage is bound, is delivered to the the creditor or lender not later than thirty days prior to the renewal date.

(2) Every person who lends money or extends credit and who solicits insurance on real and personal property must explain to the borrower in prominently displayed writing that the insurance related to such loan or credit extension may be purchased from an insurer or agent of the borrower's choice, subject only to the lender's right to reject a given insurer or agent as provided in subsection (3)(b) of this section.

(3) No person who lends money or extends credit may:

(a) Solicit insurance for the protection of real property, after a person indicates interest in securing a real estate loan or credit extension, until such person has received a commitment from the lender as to a loan or credit extension;

(b) Unreasonably reject a contract of insurance furnished by the borrower for the protection of the property securing the credit or lien. A rejection shall not be deemed unreasonable if it is based on reasonable standards, uniformly applied, relating to the extent of coverage required and the financial soundness and the services of an insurer. Such standards shall not discriminate against any particular type of insurer, nor shall such standards call for rejection of an insurance contract because the contract contains coverage in addition to that required in the credit transaction;

(c) Require that any borrower, mortgagor, purchaser, insurer, broker, or agent pay a separate charge, in connection with the handling of any contract of insurance required as security for a loan on real estate, or pay a separate charge to substitute the insurance policy of one insurer for that of another. This subsection does not include the interest which may be charged on premium loans or premium advancements in accordance with the terms of the loan or credit document;

(d) Use or disclose, without the prior written consent of the borrower, mortgagor, or purchaser taken at a time other than the making of the loan or extension of credit, information relative to a contract of insurance which is required by the credit transaction, for the purpose of replacing such insurance; or

(e) Require any procedures or conditions of duly licensed agents, brokers, or insurers not customarily required of those agents, brokers, or insurers affiliated or in any way connected with the person who lends money or extends credit.

(4) Nothing contained in this section shall prevent a person who lends money or extends credit from placing insurance on real or personal property in the event the

mortgagor, borrower, or purchaser has failed to provide required insurance in accordance with the terms of the loan or credit document.

(5) Nothing contained in this section shall apply to credit life or credit disability insurance.

Sec. 2. Section 6, chapter 219, Laws of 1961 as amended by section 1, chapter 82, Laws of 1967 ex. sess. and RCW 48.34.060 are each amended to read as follows:

The initial amount of credit life insurance under a group policy shall at no time exceed the amount owed by the debtor which is repayable in installments to the creditor, or ~~((twelve))~~ twenty-five thousand ~~((five hundred))~~ dollars, whichever is less. Nor shall the amount repayable under the contract of indebtedness extend over a period in excess of ~~((seven))~~ ten years, except that in case of long term agricultural real estate mortgages or agricultural short term crop production loans, the amount of insurance on the life of the debtor shall at no time exceed the amount owed by him to the creditor or ~~((twenty-five))~~ fifty thousand dollars, whichever is less.

Passed the House March 8, 1977.

Passed the Senate March 7, 1977.

Approved by the Governor March 25, 1977.

Filed in Office of Secretary of State March 25, 1977.

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## CHAPTER 62

[Engrossed Senate Bill No. 2106]

### LIEN FOR INTERNAL REVENUE TAXES—AUDITOR'S FEES—PAYMENT

AN ACT Relating to liens; and amending section 4, chapter 15, Laws of 1925 as amended by section 1, chapter 250, Laws of 1955 and RCW 60.68.040.

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

Section 1. Section 4, chapter 15, Laws of 1925 as amended by section 1, chapter 250, Laws of 1955 and RCW 60.68.040 are each amended to read as follows:

The auditor shall receive ~~((one))~~ five dollars for filing and indexing each notice of lien, and ~~((fifty cents))~~ three dollars for each certificate of discharge.

The provisions of RCW 36.18.060 requiring advance payment of fees before performance of services shall not apply to the fees and services under this chapter.

Passed the Senate February 1, 1977.

Passed the House March 4, 1977.

Approved by the Governor March 25, 1977.

Filed in Office of Secretary of State March 25, 1977.

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## CHAPTER 63

[Engrossed Senate Bill No. 2110]

### SUPERIOR COURT LITIGANTS' FUNDS—INVESTMENT INCOME—NOTICE

AN ACT Relating to counties; and amending section 36.48.090, chapter 4, Laws of 1963 as amended by section 8, chapter 126, Laws of 1973 and RCW 36.48.090.

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