

CHAPTER CXXXII.

[H. B. No. 382.]

AS TO MUTUAL FIRE INSURANCE COMPANIES.

AN ACT to regulate mutual fire insurance companies and associations.

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

Number
necessary to
form.

SECTION 1. Any number of persons, residents of this state, not less than fifty (50), may form an association or corporation for the purpose of mutual protection of its members against loss by fire and any such association or corporation that is conducted for the mutual protection and relief of its members only and not for profit shall be exempt from all other insurance laws of this state.

How or-
ganized.

SEC. 2. Such corporation shall be organized substantially in the manner prescribed in an act providing for the incorporation of social, charitable and educational associations, approved March 2, 1895.

When risks
may be
written.

SEC. 3. No policy of insurance shall be issued by any such corporation until not less than \$50,000 of insurance, in not less than fifty separate risks, have been subscribed and entered upon its books.

Limitation of
risks, when.

SEC. 4. No single risk for more than one thousand (\$1,000) dollars shall be taken by any such corporation until its membership is sufficiently large so that an assessment on all its members, equal to one-fourth of the standard premium specified in each certificate or policy of insurance, would cover the risk and no single risk shall be taken for more than two thousand (\$2,000) dollars until the membership is sufficiently large so that an assessment on all its members, equal to one-eighth of the standard premium specified in each certificate, would cover the risk taken.

Prohibited
risks.

SEC. 5. No risk shall be assumed nor certificate issued by any such corporation on property on which the annual rate charged by standard insurance companies would be more than three per cent.

SEC. 6. No certificate shall be issued for more than two-thirds the estimated cash value of the property insured.

SEC. 7. All assessments levied shall be at the rate of Premiums. fifteen (15) per cent. of the amount of the annual premium charged by standard insurance companies upon similar risks, which annual premiums shall be ascertained before the issuance of each certificate and specified therein as the standard premium, and such rate, when so ascertained, shall be binding on each member of the corporation. If one assessment shall not pay the losses of such company, a sufficient number of assessments shall be made to pay the losses remaining unpaid at the time of such assessment.

SEC. 8. The total expenses of such corporations in- Expenses. curred in the management of their business shall not exceed the money received with applications for membership and insurance.

SEC. 9. Any member of such corporation may with- Members may withdraw, how. draw at any time by surrendering his policy or certificate of insurance to the company and by giving five days' notice of his intention to withdraw, and paying all assessments due or pending at the time of his withdrawal.

SEC. 10. Each company organized and operating un- Annual meetings. der the provisions of this act shall hold an annual meeting of its members, at which each member shall be entitled to vote in the election of its directors or trustees, but no officer of the company shall be allowed to vote the proxy of any other member.

SEC. 11. It shall be the duty of the president and secretary of each corporation doing business under the provisions of this act annually, on or before the fifteenth day of January, to prepare and deposit in the office of the insurance commissioner of this state, a statement certified under the oath of said president and secretary, exhibiting the following facts and items: *First*, The amount of the property at risk on the 31st day of December, next preceding; the amount of risks added during the previous year; the amount of risks

canceled, withdrawn or terminated during the year and the largest amount of insurance carried on any single risk. *Second*, The amount of cash received with the applications for insurance during the year, the amount received from assessments levied, the amount received from all other sources and the total income. *Third*, The amount paid for losses during the year, the amount paid officers and directors and office help, the amount of all other expenditures and the total expenditures. *Fourth*, The amount of cash on hand, the amount and nature of all other assets and the total assets. *Fifth*, The amount of losses reported during the year and unpaid, the amount and the nature of all other liabilities and the total liabilities.

Conditions preceding organization.

SEC. 12. Any mutual fire insurance company desiring to organize and incorporate in this state must file with the state insurance commissioner a copy of its articles of incorporation, together with a statement, certified under the oath of its president and secretary, showing the amount of insurance and the number of risks pledged upon its books and when, in the opinion of the commissioner, such articles of incorporation and statement meet the requirements of this act, the commissioner shall grant such corporation a license to do business.

Insurance commissioner may examine, when.

SEC. 13. Whenever it shall appear to the insurance commissioner, from its annual report or otherwise, that the solvency of any mutual company doing business under this act is impaired, or that the provisions of this act are being violated, or upon the written request, signed by ten members of such company, he may immediately make examination of such company, and for that purpose he shall have access to all books and papers of the company and shall have power to administer oaths and to examine the various officers thereof as to all matters pertaining to the business of such company, and also such other witnesses as may be material or important. If the unpaid losses of the company amount to twenty-five cents on each \$100.00 insurance actually in force, or if the laws of the state

are being violated by the company, the commissioner shall order the laws complied with and require all losses to be paid within sixty days. If such company shall fail to comply with such requirements, the commissioner shall revoke its license to do business until all liabilities shall have been paid in full.

SEC. 14. Each insurance company doing business ^{Fees.} under this act shall pay to the insurance commissioner: For filing articles of incorporation, \$5.00; for annual license to do business in the state, \$5.00; for filing each annual statement, \$5.00; for annual license of each agent or solicitor of such company, \$2.00. When the insurance commissioner shall make an examination of any mutual company, under the provisions of this act, the actual traveling expenses of such commissioner, while engaged in making such examination, shall be paid by such company.

Passed the House February 27, 1899.

Passed the Senate March 8, 1899.

Approved March 14, 1899.

CHAPTER CXXXIII.

[H. B. No. 438.]

FISH HATCHERIES.

AN ACT providing for the construction of fish hatcheries, and making appropriations therefor.

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

SECTION 1. There is hereby appropriated out of the ^{Wenatchee.} fish hatchery fund in the treasury of the State of Washington the sum of forty-four thousand dollars (\$44,000) for the purpose of constructing fish hatcheries as follows, to-wit: \$5,000 for the construction of a fish hatchery on the Wenatchee river at a point on said river to be hereafter determined by the fish com-