

for administrative purposes, and the balance shall be ratably divided and distributed to the various county, city, town and district funds based on the tax levies last imposed upon the property by the various taxing units, in the same manner as if the property were sold, as provided in section 11293, Remington's Revised Statutes.

Effective immediately.

SEC. 4. This act is necessary for the support of the state government and shall take effect immediately.

Passed the Senate February 25, 1941.

Passed the House March 10, 1941.

Approved by the Governor March 21, 1941, with the exception of section 1, which is vetoed.

CHAPTER 111.

[S. B. 225.]

VALUATION OF LIFE INSURANCE POLICIES.

AN ACT relating to valuation of life insurance policies and amending section 92 of chapter 49 of the Laws of 1911 (section 7137 of Remington's Revised Statutes).

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

Amendments.

SECTION 1. Section 92 of chapter 49 of the Laws of 1911 (section 7137 of Remington's Revised Statutes) is amended to read as follows:

Commissioner to value policies.

Section 92. The Commissioner shall annually make valuation of all outstanding policies, additions thereto, unpaid dividends, and all other obligations of every life insurance company doing business in this state; and all such valuations made by him or his authority shall be according to the standard of valuation adopted by the company: *Provided*, That in either case the standard of valuation employed shall be stated in his annual report: *Provided*

further, That no such standard of valuation whether on the net level premium, preliminary term, or select and ultimate reserve basis, for policies issued after the passage of this act shall be less than that determined upon such basis according to the American Experience Table of Mortality with three and one-half per centum interest. The Commissioner may vary the standard of valuation in particular cases of invalid lives and other extra hazards: *Provided*, That same is on basis of at least three and one-half per centum, value policies in groups, use approximate average for fractions of a year, and assume as accurate the valuation of the department of insurance of any other state or country, if the insurance officer of such other state or country likewise accredits the valuation made by the Commissioner of this state: *Provided*, That when the preliminary term basis is used it shall not exceed one year.

Minimum standard.

Method.

The legal minimum standard for the valuation of annuities issued after January first, nineteen hundred and twelve, shall be "McClintock's Table of Mortality Among Annuitants," or the American Experience Table of Mortality, with interest at three and one-half per centum per annum, but annuities deferred ten or more years and written in connection with life or term insurance shall be valued in the same mortality table from which the consideration or premiums were computed, with interest not higher than three and one-half per centum per annum.

Basis of annuities.

The legal minimum standard for the valuation of industrial policies issued after the first day of January, nineteen hundred and twelve, shall be the American Experience Table of Mortality with interest at three and one-half per centum per annum: *Provided*, That any life insurance company may voluntarily value its industrial policies according

Basis of industrial policies.

to the "Standard Industrial Mortality Table" or the "Sub-Standard Industrial Mortality Table."

Companies
may value
policies.

Any life insurance company may voluntarily value its policies and contracts, or any class thereof on other tables of mortality with the same or lower rates of interest if the reserves created thereby are not less in the aggregate than those produced by the standards hereinbefore set forth: *Provided*, That no such standards, if adopted, shall be abandoned without the consent of the Commissioner first being obtained in writing.

Minimum.

Not to be
abandoned.

Passed the Senate February 20, 1941.

Passed the House March 10, 1941.

Approved by the Governor March 21, 1941.

CHAPTER 112.

[S. B. 174.]

REGULATING INSURANCE BY FRATERNAL BENEFIT SOCIETIES.

AN ACT relating to insurance; providing for and regulating the application of insurance laws with respect to fraternal benefit societies and amending section 235, chapter 49, Laws of 1911, as amended by section 1, chapter 114, Laws of 1931 and as amended by chapter 158, Laws of 1933 (section 7288, Remington's Revised Statutes; section 3117, Pierce's Code).

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

Amend-
ments.

SECTION 1. Section 235, chapter 49, Laws of 1911, as amended by section 1, chapter 114, Laws of 1931 and as amended by chapter 158, Laws of 1933 (section 7288 Remington's Revised Statutes; section 3117 Pierce's Code) is amended to read as follows:

Not to apply
to lodge
benefits.

Section 235. Nothing contained in this act shall be construed to affect or apply to grand or subordinate lodges of Masons, Odd Fellows, Improved Order of Red Men, Fraternal Order of Eagles, Loyal Order of Moose, or Knights of Pythias, exclusive of