

without the consent of the governing body exercising jurisdiction over the highway.

Passed the Senate January 31, 1955.

Passed the House February 23, 1955.

Approved by the Governor March 4, 1955.

CHAPTER 86.

[S. B. 215.]

INSURANCE—DEPOSITS BY INSURERS.

AN ACT relating to insurance; modifying the requirements and administration of deposits by insurers; amending section .05.08, chapter 79, Laws of 1947 and RCW 48.05.080, section 2, chapter 197, Laws of 1953 and RCW 48.06.110, section .16.01, chapter 79, Laws of 1947 and RCW 48.16.010, section .16.02, chapter 79, Laws of 1947 and RCW 48.16.020, section .16.03, chapter 79, Laws of 1947 and RCW 48.16.030, section .16.05, chapter 79, Laws of 1947 and RCW 48.16-.050, section .16.06, chapter 79, Laws of 1947 and RCW 48.16.060, section .16.07, chapter 79, Laws of 1947 and RCW 48.16.070, section .16.08, chapter 79, Laws of 1947 and RCW 48.16.080, section .16.11, chapter 79, Laws of 1947 and RCW 48.16.110, section .16.12, chapter 79, Laws of 1947 and RCW 48.16.120, section .29.02, chapter 79, Laws of 1947 and RCW 48.29.020, section .29.07, chapter 79, Laws of 1947 and RCW 48.29.070, section .29.09, chapter 79, Laws of 1947 and RCW 48.29.090, and section .29.11, chapter 79, Laws of 1947 and RCW 48.29.110; repealing section .29.05, chapter 79, Laws of 1947 and RCW 48.29.050, and section .29.08, chapter 79, Laws of 1947 and RCW 48.29.080; and declaring an effective date.

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

Amendment.

SECTION 1. Section .05.08, chapter 79, Laws of 1947 and RCW 48.05.080 are each amended to read as follows:

Certificates of authority of foreign insurers; deposit of assets.

(1) Prior to the issuance of a certificate of authority to a foreign insurer, it shall make a deposit of assets with the commissioner for the protection of all its policyholders, or of all of its policyholders and obligees or its policyholders and obligees within the

United States, in amount and kind, subject to RCW 48.14.040, the same as is required of a like domestic insurer transacting like kinds of insurance.

(2) In lieu of such deposit or part thereof the commissioner may accept the certificate of the public official having supervision over insurers in any other state to the effect that a like deposit by such insurer or like part thereof in equal or greater amount is held in public custody in such state.

In lieu of deposit.

SEC. 2. Section 2, chapter 197, Laws of 1953 and RCW 48.06.110 are each amended to read as follows:

Amendment.

(1) The commissioner shall not issue a solicitation permit until the person applying therefor files with him a corporate surety bond in the penalty of ten thousand dollars, in favor of the state and for the use and benefit of the state and of subscribers and creditors of the proposed organization.

Solicitation permits of domestic insurers; bond.

The bond shall be conditioned upon the payment of costs incurred by the state in event of any legal proceedings for liquidation or dissolution of the proposed organization before completion of organization or in event a certificate of authority is not granted; and upon a full accounting for funds received until the proposed insurer has been granted its certificate of authority, or until the proposed corporation or syndicate has completed its organization as defined in the solicitation permit.

(2) In lieu of filing such bond, the person may deposit with the commissioner ten thousand dollars in cash or in United States government bonds at par value, to be held in trust upon the same conditions as required for the bond.

Deposit in lieu of bond.

(3) The commissioner may waive the requirement for a bond or deposit in lieu thereof if the permit provides that:

Waiver of bond or deposit.

(a) The proposed securities are to be distributed solely and finally to those few persons who are the

active promoters intimate to the formation of the insurer, or other corporation or syndicate, or

(b) The securities are to be issued in connection with subsequent financing as provided in RCW 48.06.180.

Release or discharge of bond or deposit.

(4) Any bond filed or deposit or remaining portion thereof held under this section shall be released and discharged upon settlement or termination of all liabilities against it.

Amendment.

SEC. 3. Section .16.01, chapter 79, Laws of 1947 and RCW 48.16.010 are each amended to read as follows:

Deposits of insurers; commissioner to accept; when.

The commissioner shall accept deposits of securities or funds by insurers as follows:

(1) Deposits in amount as required to be made as prerequisite to a certificate of authority to transact insurance in this state.

(2) Deposits of domestic or alien insurers in amount as required to be made by the laws of other states as prerequisite for authority to transact insurance in such other states.

(3) Deposits in amounts as result from application of the retaliatory provision, RCW 48.14.040.

(4) Deposits in other additional amounts permitted to be made by this code.

Amendment.

SEC. 4. Section .16.02, chapter 79, Laws of 1947 and RCW 48.16.020 are each amended to read as follows:

Deposits of insurers to be held in trust.

Each such deposit shall be held by the commissioner in trust for the protection of all policyholders in the United States of the insurer making it; except that deposits of alien insurers shall be so held for the security of such insurer's obligations arising out of its insurance transactions in the United States, and except as to deposits the purpose of which may be further limited pursuant to the retaliatory provision, RCW 48.14.040.

SEC. 5. Section .16.03, chapter 79, Laws of 1947 and RCW 48.16.030 are each amended to read as follows: Amendment.

All such deposits shall consist of cash funds or public obligations as specified in RCW 48.13.040; except, that with respect to deposits held on account of registered policies heretofore issued, the commissioner may accept deposit of such other kinds of securities as are expressly required to be deposited by the terms of such policies. Deposits of insurers may consist of cash or securities.

SEC. 6. Section .16.05, chapter 79, Laws of 1947 and RCW 48.16.050 are each amended to read as follows: Amendment.

(1) The commissioner shall deliver to the insurer a receipt for all funds and securities so deposited by it. Deposits of insurers; receipts.

(2) The commissioner or the designated depository shall keep a record in permanent form of all funds and securities so deposited. Records.

SEC. 7. Section .16.06, chapter 79, Laws of 1947 and RCW 48.16.060 are each amended to read as follows: Amendment.

(1) No transfer of any funds or security so held on deposit, whether voluntary or by operation of law, shall be valid unless approved in writing by the commissioner. Transfer of deposit of insurers.

(2) A statement of each such transfer shall be entered on the records of the commissioner or designated depository, showing the name of the insurer from whose deposit such transfer is made, the name of the transferee, and the par value of the securities so transferred.

SEC. 8. Section .16.07, chapter 79, Laws of 1947 and RCW 48.16.070 are each amended to read as follows: Amendment.

The commissioner may designate any solvent trust company or other solvent financial institution having trust powers domiciled in this state, as the Depositories for deposits of insurers.

commissioner's depository to receive and hold any such deposit. Any deposit so held shall be at the expense of the insurer.

Amendment.

SEC. 9. Section .16.08, chapter 79, Laws of 1947 and RCW 48.16.080 are each amended to read as follows:

Liability of state for deposits of insurers.

The state of Washington shall be responsible for the safekeeping and return of all funds and securities deposited pursuant to this chapter with the commissioner or in any such depository so designated by him.

Amendment.

SEC. 10. Section .16.11, chapter 79, Laws of 1947 and RCW 48.16.110 are each amended to read as follows:

Release of deposits of insurers.

Any part of any deposit of an insurer held by the commissioner which is in amount in excess of the deposit required or permitted to be made by such insurer under this code, shall, upon written order of the commissioner, be released; except, that no deposit held on account of any registered policies heretofore issued by the insurer shall be released except in accordance with the conditions under which such deposit was made.

Amendment.

SEC. 11. Section .16.12, chapter 79, Laws of 1947 and RCW 48.16.120 are each amended to read as follows:

Excess deposits of insurers.

An insurer may deposit and maintain on deposit with the commissioner funds and eligible securities in amount exceeding its required deposit under this code by not more than one hundred thousand dollars, for the purpose of absorbing fluctuations in the value of securities held in its required deposit, and to facilitate the exchange and substitution of such required securities. During the solvency of the insurer any such excess deposit or any part thereof shall be released to it upon its request. During the insolvency of the insurer such excess deposit shall be released only as provided in RCW 48.16.100.

SEC. 12. Section .29.02, chapter 79, Laws of 1947 and RCW 48.29.020 are each amended to read as follows: Amendment.

A title insurer shall not be entitled to have a certificate of authority unless it otherwise qualifies therefor, nor unless: Title insurers; eligibility for certificate of authority.

(1) It is a stock corporation.

(2) It owns and maintains a complete set of tract indexes of the county in which its principal office within this state is located.

(3) It deposits and keeps on deposit with the commissioner a guaranty fund in amount as set forth in RCW 48.29.030 and comprised of cash or public obligations as specified in RCW 48.13.040.

SEC. 13. Section .29.05, chapter 79, Laws of 1947 and RCW 48.29.050 are each hereby repealed. Repeal.

SEC. 14. Section .29.07, chapter 79, Laws of 1947 and RCW 48.29.070 are each amended to read as follows: Amendment.

If an insurer fails to satisfy any judgment against it arising out of its liability under any title insurance policy or certificate of title issued, insured, or assumed by it, within thirty days after the finality of the judgment became fixed, the judgment may be enforced against the insurer's guaranty fund deposit through the following procedure: Title insurers; enforcement of judgments against guaranty fund deposit.

(1) The judgment creditor shall petition the court wherein the judgment is entered and as part of the same cause, truthfully setting forth the facts regarding the insurer's failure to satisfy the judgment as required by this section.

(2) Upon such petition the court shall direct issuance of a special execution directed to the sheriff of Thurston county, requiring that the sheriff sell so much of the securities on deposit as may be required to satisfy the judgment and pay the costs of the levy.

(3) The court's order for issuance of the special execution shall also direct that a copy of the judg-

ment and of the petition be served upon the commissioner within five days after the date of the order.

(4) Upon issuance of such special execution and upon such service upon the commissioner, the commissioner shall deliver to such sheriff sufficient of such securities as may be required for sale to satisfy the judgment and to pay such costs.

Repeal. SEC. 15. Section .29.08, chapter 79, Laws of 1947 and RCW 48.29.080 are each hereby repealed.

Amendment. SEC. 16. Section .29.09, chapter 79, Laws of 1947 and RCW 48.29.090 are each amended to read as follows:

Title insurers; liability of guaranty fund deposits.

(1) The securities comprising the guaranty fund deposit shall be held by the commissioner as a special guaranty fund securing the faithful performance by the insurer of all its undertakings and liabilities as to any title guaranteed or insured by it.

(2) Such deposit shall not be subject to any other liabilities of the insurer until after all its liabilities named in subsection (1) of this section have been discharged.

Amendment. SEC. 17. Section .29.11, chapter 79, Laws of 1947 and RCW 48.29.110 are each amended to read as follows:

Title insurers; conditions for release of guaranty fund deposit.

(1) Upon any termination of the guaranty fund deposit, the commissioner shall release the securities comprising it to the insurer after the following conditions have been complied with:

(a) The insurer shall make written application for such release, verified by the oaths of its president and secretary.

(b) The commissioner shall in due course following upon such application make such examination of the records of the insurer, and of the insurer's officers under oath, as he deems reasonably necessary to determine that the conditions for termination of the deposit have been met.

(2) Upon release of the securities, the commissioner shall revoke the insurer's certificate of authority.

SEC. 18. This act shall become effective on January 1, 1956. Effective date.

SEC. 19. All transfers authorized under this act shall be made under the supervision of the state auditor. State auditor to supervise transfers.

Passed the Senate February 4, 1955.

Passed the House February 24, 1955.

Approved by the Governor March 4, 1955.

CHAPTER 87.

[S. B. 19.]

STATE APPLICATION FORMS—PROHIBITED QUESTIONS.

AN ACT relating to state application forms and licenses; and providing penalties.

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

SECTION 1. The inclusion of any question relative to an applicant's race or religion in any application blank or form for employment or license required to be filled in and submitted by an applicant to any department, board, commission, officer, agent, or employee of this state or the disclosure on any license of the race or religion of the licensee is hereby prohibited. Race and religion not to appear on applications or licenses.

SEC. 2. Any person who shall violate this act shall be guilty of a misdemeanor. Penalty.

Passed the Senate January 21, 1955.

Passed the House February 23, 1955.

Approved by the Governor March 5, 1955.