

board or office thereof or any court of the state, when deposited in any qualified public depositary;

(2) "Qualified public depositary" means a state bank or trust company, national banking association, or any branch of a bank engaged in the banking business in this state in accordance with RCW 30.04.300 which is located in this state and which receives or holds public deposits and segregates eligible collateral for public deposits as described in RCW 39.58.050 as now or hereafter amended;

(3) "Loss" means issuance of an order of supervisory authority restraining a qualified public depositary from making payments of deposit liabilities or the appointment of a receiver for a qualified public depositary;

(4) "Commission" means the Washington public deposit protection commission created under RCW 39.58.030;

(5) "Eligible collateral" means collateral which is eligible as security for public deposits pursuant to applicable state law;

(6) The "maximum liability" of a qualified public depositary means a sum equal to ((five)) ten percent of (a) all public deposits held by the qualified public depositary on the then most recent call report date, or (b) the average of the balances of said public deposits on the last four immediately preceding reports required pursuant to RCW 39.58.100, whichever amount is greater, less any assessments ((made under this chapter)) paid to the commission pursuant to this chapter since the then most recent call report date;

(7) "Public funds available for investment" means such public funds as are in excess of the anticipated cash needs throughout the duration of the contemplated investment period;

(8) "Investment deposits" means bank time deposits and savings deposits of public funds available for investment;

(9) "Treasurer" shall mean the state treasurer, a county treasurer, a city treasurer, a treasurer of any other municipal corporation, and the custodian of any other public funds.

Passed the House May 19, 1977.

Passed the Senate May 16, 1977.

Approved by the Governor May 28, 1977.

Filed in Office of Secretary of State May 28, 1977.

---

## CHAPTER 96

[House Bill No. 683]

INSURANCE—FRATERNAL BENEFIT SOCIETIES

AN ACT Relating to insurance of fraternal benefit societies; amending section .32.05, chapter 79, Laws of 1947 and RCW 48.36.050; amending section .32.09, chapter 79, Laws of 1947 and RCW 48-.36.090; amending section .32.12, chapter 79, Laws of 1947 and RCW 48.36.120; and amending section .32.23, chapter 79, Laws of 1947 as amended by section 1, chapter 79, Laws of 1973 and RCW 48.36.230.

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

Section 1. Section .32.05, chapter 79, Laws of 1947 and RCW 48.36.050 are each amended to read as follows:

(1) Every society transacting business under this chapter shall provide for the payment of death benefits, and may provide for the payment of benefits in case of temporary or permanent physical disability, either as the result of disease, accident or old age: PROVIDED, That the period of life at which the payment of benefits for disability on account of old age shall commence, shall not be under seventy years, and may provide for monuments or tombstones to the memory of the deceased members and for the payment of funeral benefits. Such society shall have the power to give a member, when permanently disabled or on attaining the age of seventy, all or such portion of the face value of his certificates as the laws of the society may provide: PROVIDED, That nothing in this chapter contained shall be so construed as to prevent the issuing of benefit certificates for a term of years less than the whole of life which are payable upon the death or disability of the member occurring within the terms for which the benefit certificates may be issued. Such society shall, upon written application of the members, have the power to accept a part of the periodical contributions in cash, and charge the remainder, not exceeding one-half of the periodical contributions, against the certificate with interest payable or compounded annually at a rate not lower than four percent per annum: PROVIDED, That this privilege shall not be granted except to societies which have readjusted or may hereafter readjust their rates of contribution and to contracts affected by such readjustment.

(2) Any society which shall show by the annual valuation hereinafter provided for that it is accumulating and maintaining the reserve necessary to enable it to do so, under a table of mortality not lower than the American Experience Table and four percent interest, or under tables of mortality and interest assumptions as are authorized for use by domestic life insurers, may grant to its members, extended and paid-up protection or such withdrawal equities as its constitution and laws may provide: PROVIDED, That such grants shall in no case exceed in value the portion of the reserve to the credit of such members to whom they are made.

(3) Power and authority is hereby given to a society to divide its membership into separate classes, each class having a separate form of contract of similar or general plan and character in its purpose, and that the assets or mortuary collections made from the members of each class respectively shall be carried and maintained separate for such class, and that the required reserve accumulation of such class, if the contract therefor provides for such fund, shall be set apart and held specifically and separately for the use and benefit of such particular class, and shall not thereafter be mingled with the assets or mortuary collections of any other class of the society.

Sec. 2. Section .32.09, chapter 79, Laws of 1947 and RCW 48.36.090 are each amended to read as follows:

(1) Any society may create, maintain, invest, disburse, and apply an emergency, surplus or other similar fund in accordance with its law. Unless otherwise provided in the contract, such funds shall be held, invested, and disbursed for the use and benefit of the society, and no member or beneficiary shall have or acquire individual rights therein or become entitled to any apportionment or the surrender of any part thereof, except as provided in RCW 48.36.050. The funds from which benefits shall be paid and the funds from which the expenses of the society shall be defrayed, shall be derived from periodical or other payments by the members of the

society and accretions of said funds: PROVIDED, That no society, domestic or foreign, shall hereafter be incorporated or admitted to transact business in this state, which does not provide for stated periodical contributions sufficient to provide for meeting the mortuary obligations contracted, when valued upon the basis of the National Fraternal Congress Table of Mortality as adopted by the National Fraternal Congress, August 23, 1899, or any higher standard with interest assumption not more than four percent per annum, or under tables of mortality and interest assumptions as are authorized for use by domestic life insurers, nor write or accept members for temporary or permanent disability benefits except upon tables based upon reliable experience, with an interest assumption not higher than four percent per annum or tables and interest assumptions as are authorized for use by domestic life insurers.

(2) Deferred payments or installments of claims shall be considered as fixed liabilities on the happening of the contingency upon which such payments or installments are thereafter to be paid. Such liability shall be the present value of such future payments or installments upon the rate of interest and mortality assumed by the society for valuation, and every society shall maintain a fund sufficient to meet such liability regardless of proposed future collections to meet any such liabilities.

Sec. 3. Section .32.12, chapter 79, Laws of 1947 and RCW 48.36.120 are each amended to read as follows:

Seven or more persons, citizens of the United States, and a majority of whom are citizens of this state, who desire to form a fraternal benefit society, as defined by this chapter, may make and sign, giving their addresses, and acknowledge before some officer competent to take acknowledgment of deeds, articles of incorporation, in which shall be stated:

First.—The proposed corporate name of the society, which shall not so closely resemble the name of any society or insurance company already transacting business in this state as to mislead the public or to lead to confusion.

Second.—The purpose for which it is formed, which shall not include more liberal powers than are granted in this chapter: PROVIDED, That any lawful social, intellectual, educational, charitable, benevolent, moral, or religious advantages may be set forth among the purposes of the society, and the mode in which its corporate powers are to be exercised.

Third.—The names, residences, and official titles of all the officers, trustees, directors, or other persons who are to have and exercise the general control and management of the affairs and funds of the society for the first year or until the ensuing election at which all such officers shall be elected by the supreme legislative or governing body, which election shall be held not later than one year from the date of issuance of the permanent certificate. Such articles of incorporation and duly certified copies of the constitution and laws, rules and regulations, and copies of all proposed forms of benefit certificates, applications therefor and circulars to be issued by such society, and a bond in the sum of five thousand dollars, with sureties approved by the commissioner, conditioned upon the return of the advanced payments, as provided in this section, to applicants, if the organization is not completed within one year, shall be filed with the commissioner, who may require such further information as he deems necessary, and if the purposes of the society conform to the requirements of this chapter, and all provisions of law have

been complied with, the commissioner shall so certify and retain and record, or file, the articles of incorporation, and furnish the incorporators a preliminary certificate authorizing said society to solicit members as hereinafter provided.

Upon receipt of said certificate from the commissioner, said society may solicit members for the purpose of completing its organization and shall collect from each applicant the amount of not less than one regular monthly payment, in accordance with its table of rates as provided by its constitution and laws, and shall issue to each such applicant, a receipt for the amount so collected. But no such society shall incur any liability other than for such advanced payments, nor issue any benefit certificate, nor pay or allow, or offer or promise to pay or allow, to any person any death or disability benefit until actual bona fide applications for death benefit certificates have been secured upon at least five hundred lives for at least one thousand dollars each, and all such applicants for death benefits shall have been regularly examined by legally qualified practicing physicians, and certificates of such examinations have been duly filed and approved by the chief medical examiner of such society, nor until there shall be established ten subordinate lodges or branches into which said five hundred applicants have been initiated, nor until there has been submitted to the commissioner, under oath of the president and secretary, or corresponding officers of such society, a list of such applicants, giving their names, addresses, date examined, date approved, date initiated, name and number of the subordinate branch of which each applicant is a member, amount of benefits to be granted, rate of stated periodical contributions which shall be sufficient to provide for meeting the mortuary obligation contracted, when valued for death benefits upon the basis of the National Fraternal Congress Table of Mortality, as adopted by the National Fraternal Congress, August 23, 1899, or any higher standard at the option of the society, or any standard authorized for use by domestic life insurers, and for disability benefits by tables based upon reliable experience and for combined death and permanent total disability benefits by tables based upon reliable experience, with an interest assumption not higher than four percent per annum, or tables and interest assumptions as are authorized for use by domestic life insurers, nor until it shall be shown to the commissioner by the sworn statement of the treasurer, or corresponding officer of such society, that at least five hundred applicants have each paid in cash at least one regular monthly payment as herein provided per one thousand dollars of indemnity to be effected, which payments in the aggregate shall amount to at least twenty-five hundred dollars, all of which shall be credited to the mortuary or disability fund on account of such applicants, and no part of which may be used for expenses.

Said advanced payments shall, during the period of organization, be held in trust, and, if the organization is not completed within one year as hereinafter provided, returned to said applicants.

The commissioner may make such examination and require such further information as he deems advisable, and upon presentation of satisfactory evidence that the society has complied with all the provisions of law, he shall issue to such society a certificate to that effect. Such certificate shall be *prima facie* evidence of the existence of such society at the date of such certificate. The commissioner shall cause a record of such certificate to be made and a certified copy of such record may be given in evidence with like effect as the original certificate.

No preliminary certificate granted under the provisions of this section shall be valid after one year from its date, or after such further period, not exceeding one year, as may be authorized by the commissioner, upon cause shown, unless the five hundred applicants herein required have been secured and the organization has been completed as herein provided, and the articles of incorporation and all proceedings thereunder shall become null and void in one year from the date of said preliminary certificate, or at the expiration of said extended period, unless such society shall have completed its organization and commenced business as herein provided. When any domestic society shall have discontinued business for the period of one year, or has less than four hundred members, its charter shall become null and void.

Every society shall have the power to make a constitution and bylaws for the government of the society, the admission of its members, the management of its affairs, and the fixing and readjusting of the rates of contribution of its members from time to time; and it shall have the power to change, alter, add to or amend such constitution and bylaws and shall have such other powers as are necessary and incidental to carrying into effect the objects and purposes of the society.

Sec. 4. Section .32.23, chapter 79, Laws of 1947 as amended by section 1, chapter 79, Laws of 1973 and RCW 48.36.230 are each amended to read as follows:

Every society transacting business in this state shall annually, on or before the fifteenth day of March, file with the commissioner in such form as he may require, a statement under oath of its president and secretary, or corresponding officers, of its condition and standing on the thirty-first day of December next preceding, and of its transactions for one year ending on that date, and also shall furnish such other information as the commissioner may deem necessary to a proper exhibit of its business and plan of working. The commissioner may at other times require any further statement he may deem necessary to be made relating to such society.

In addition to the annual report herein required, each society shall annually report to the commissioner in valuation of its certificates in force on the thirty-first day of December last preceding excluding those issued within the year for which the report is filed, in cases where the contributions for the first year in whole or in part are used for current mortality and expenses: PROVIDED, That the first report of valuation shall be made as of December 31, 1931. Such report of valuation shall show, as contingent liabilities, the present midyear value of the promised benefits provided in the constitution and laws of such society under certificates then subject to valuation; and as contingent assets, the present midyear value of the future net contributions provided in the constitution and laws as the same are in practice actually collected. At the option of any society in lieu of the above, the valuation may show the net value of the certificates subject to valuation hereinbefore provided, and said net value, when computed in case of monthly contributions, may be the mean of the terminal values for the end of the preceding and of the current insurance years. Such valuation shall be certified by a competent accountant or actuary, or, at the request and expense of the society, verified by the actuary of the department of insurance of the home state of the society, and shall be filed with the commissioner within ninety days after the submission of the last preceding annual

report. The legal minimum standard of valuation shall be according to tables of reliable experience and in such case a separation of the funds shall not be required.

The minimum standard of valuation for all certificates shall be either such tables and interest assumptions as are authorized for use by domestic life insurers or for all certificates issued on or after June 7, 1973 shall be four percent interest and the following tables:

(a) For certificates of life insurance, American men ultimate table of mortality, with Bowerman's or Davis' extension thereof, the commissioners 1941 standard industrial mortality table, the commissioners 1961 standard industrial mortality table, the commissioners 1941 standard ordinary mortality table, or the commissioners 1958 standard ordinary mortality table using an age not more than three years younger than the actual age of the insured for female risks;

(b) For annuity certificates, including life annuities provided or available under optional modes of settlement in such certificates, the 1937 standard annuity mortality table, annuity mortality table for 1949 ultimate, or the 1971 individual annuity mortality table, or any modification of these tables approved by the commissioner;

(c) For disability benefits issued in connection with life benefit certificate, Hunter's disability table or class III disability table (1926), modified to conform to the contractual waiting period, or the tables of period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 disability study of the society of actuaries with due regard to the type of benefit, any tables of which for active lives shall be combined with a mortality table permitted for calculating the reserves on life insurance certificates;

(d) For accidental death benefits issued in connection with life benefit certificate, the intercompany double indemnity mortality table or the 1959 accidental death benefits table combined with a mortality table permitted for calculating the reserves for life insurance certificates; and

(e) For accident and sickness benefits, the society shall maintain an active life reserve which shall place a sound value on its liabilities under such certificates and which shall not be less, in the aggregate than the reserve (((according to the standards set forth in the regulations issued by the commissioner)) required to be used by a domestic life insurer and, in no event, less than the pro rata gross unearned premium reserve for such certificates.

An annual report of such valuation and an explanation of the facts concerning the condition of the society thereby disclosed shall be printed and mailed to each beneficiary member of the society not later than June 1st of each year, or, in lieu thereof, such report of valuation and showing of the society's condition as thereby disclosed may be published in the society's official paper and the issue containing the same mailed to each beneficiary member of the society. The laws of such society shall provide that if the stated periodical contributions of its members, together with the admitted assets, are insufficient to mature its certificates in full, and to provide for the creation and maintenance of the funds required by its laws, additional, increased or extra rates of contribution shall be collected from the members to meet such deficiency; and such laws may provide that, upon the written application or consent of the member, his certificate may be charged with its proportion of

any deficiency disclosed by valuation, with interest not exceeding five percent per annum.

Passed the House April 29, 1977.

Passed the Senate May 17, 1977.

Approved by the Governor May 28, 1977.

Filed in Office of Secretary of State May 28, 1977.

---

## CHAPTER 97

[Substitute House Bill No. 675]

### PAY TOILETS

AN ACT Relating to public health, safety, and welfare; adding new sections to chapter 70.54 RCW; and defining crimes.

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

NEW SECTION. Section 1. There is added to chapter 70.54 RCW a new section to read as follows:

(1) Every establishment which maintains restrooms for use by the public shall not discriminate in charges required between facilities used by men and facilities used by women.

(2) When coin lock controls are used, the controls shall be so allocated as to allow for a proportionate equality of free toilet units available to women as compared with those units available to men, and at least one-half of the units in any restroom shall be free of charge. As used in this section, toilet units are defined as constituting commodes and urinals.

(3) In situations involving coin locks placed on restroom entry doors, admission keys shall be readily provided without charge when requested, and notice as to the availability of the keys shall be posted on the restroom entry door.

NEW SECTION. Sec. 2. There is added to chapter 70.54 RCW a new section to read as follows:

Any owner, agent, manager, or other person charged with the responsibility of the operation of an establishment who operates such establishment in violation of section 1 of this act shall be guilty of a misdemeanor.

Passed the House April 19, 1977.

Passed the Senate May 19, 1977.

Approved by the Governor May 28, 1977.

Filed in Office of Secretary of State May 28, 1977.

---

## CHAPTER 98

[Substitute House Bill No. 440]

### HOMESTEADS

AN ACT Relating to homesteads; amending section 2, chapter 64, Laws of 1895 as amended by section 6, chapter 154, Laws of 1973 1st ex. sess. and RCW 6.12.020; amending section 30, chapter 64, Laws of 1895 as amended by section 8, chapter 154, Laws of 1973 1st ex. sess. and RCW 6.12.040; amending section 24, chapter 64, Laws of 1895 as last amended by section 1, chapter 12, Laws of 1971 ex. sess. and RCW 6.12.050; amending section 31, chapter 64, Laws of 1895 as amended by section 9, chapter 154, Laws of 1973 1st ex. sess. and RCW 6.12.060; and repealing section 25,