

## CHAPTER 164.

[H. B. 345.]

UNLICENSED INSURANCE COMPANIES AND  
THEIR AGENTS.

AN ACT relating to insurance and providing for the regulation of writing of insurance in companies not licensed to do business in the State of Washington and providing for the licensing and supervision of agents for the placing of insurance with such unlicensed companies and amending section 75 of chapter 49 of the Laws of 1911.

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

SECTION 1. That section 75 of chapter 49 of the Laws of 1911 (section 7120 of Remington's Revised Statutes; section 2982 of Pierce's Code) be and is amended to read as follows:

Amendments.

Section 75. Unauthorized Companies—Agents—Surplus Line—Service. The Commissioner, in consideration of the yearly payment of one hundred dollars, and the furnishing of a bond as hereinafter provided, may issue to any person, firm or corporation resident in this state, not exceeding fifty in any one city, a license revokable at any time, permitting the licensee to place or effect insurance upon risks located in this state with insurance companies not licensed to do business in this state. No person, firm, or corporation, shall place, procure or effect insurance upon any risk located in this state in any company not licensed to do business in this state, or place, procure, or effect insurance in any marine risk destined for or departing from any port in this state, until such person, firm, or corporation shall have first procured a license from the Commissioner as provided in this section, and has furnished a bond to the State of Washington in the penal sum of fifteen hundred dollars, with sureties thereon to be approved by the Commissioner, conditioned that he or it will conduct such business in accordance with the

Commissioner to issue license to unauthorized companies.

Bond and fee.

Must have license to do business.

Bond.

Taxes. provisions of this section, and will pay to the State Treasurer through the Insurance Commissioner's office the taxes provided by this section. Every such agent must keep a true and complete record of the business transacted by him, showing: First, the exact amount of such insurance; second, the gross premiums charged therefor; third, the return premium paid thereon; fourth, the rate of premium charged for such insurance upon the different items of the property; fifth, the date of such insurance and terms thereof; sixth, the name and address of the company making such insurance; seventh, the name and address of the assured, and a brief and general description of the property insured, where located, and if a marine risk, the name of the ship, vessel, boat, or craft, and voyage covered by such insurance; and such other facts and information as the Commissioner may direct and require; which record shall at all times be open and subject to the inspection and examination of the Commissioner, his deputy, or examiner.

Keep record.

Contents of record.

Policy to contain statement.

Every policy procured and delivered under the provisions of this section shall have stamped upon it and be initialed by the agent clearing the same in this state, the following: "This policy is registered and delivered at ....., Washington, this .....day of ....., 19....., under the provisions of section seventy-five of chapter ....., of the Session Laws of the State of Washington for nineteen hundred eleven."

Agent to file annual statement.

Time.

Every agent who places, procures, effects, or delivers any insurance or insurance policy, as provided in this section, shall annually on or before the fifteenth day of February in each year, make and file with the Commissioner a verified statement upon a form to be prescribed and furnished by the Commissioner, which shall exhibit the true amount of all such business transacted by such agent during the year ending on the thirty-first day of December next

preceding the making of such annual statement, showing the gross amount of each kind of insurance, the gross premiums charged for such insurance, the aggregate amount of returned premiums paid to the insured, the amount of the net premiums, and such other facts and information as the Commissioner may prescribe and require.

Contents of statement.

The Commissioner shall file a copy of such verified statement with the State Treasurer, and the agent making such statement shall pay to the State Treasurer, through the Commissioner's office, the same tax that is required of admitted companies, which tax shall be due and payable on the first day of March succeeding the filing of such statement.

Copy to be filed with Treasurer.

Before any insurance, except marine insurance, shall be procured or effected, under or by virtue of said license, there shall be executed by such licensed agent and by the party or his authorized agent desiring insurance, an affidavit which shall be filed with the Commissioner within thirty days after the procuring of such insurance. Such affidavit shall set forth that the party desiring insurance is, after diligent effort, unable to procure the insurance from a majority of the companies admitted to transact that particular class of insurance business, and that it is not so placed for the purpose of procuring it at a rate lower than that at which it will be accepted by any admitted company. Every company making insurance under the provisions of this section, shall be deemed and held to be doing business in this state as an unlicensed company, and may be sued upon any cause of action, arising under any policy of insurance so issued and delivered by it, in the superior court of the county where the agent who registered or delivered such policy resides, or transacts business, by the service of summons and complaint made upon such agent for such company. Any such agent, being served with summons and complaint, in any such cause, shall forthwith mail such summons and com-

Affidavit to be filed.

Contents.

Company may be sued on policy.

Venue.

Service on agent.

Duty of agent.

plaint, or a true and complete copy thereof, by registered letter with proper postage affixed, properly addressed to the company sued, and such company shall have forty days from the date of the service of such summons and complaint upon said agent in which to plead, answer or defend any such cause; upon service of summons and complaint being had upon such agent for such company the court in which such action is begun shall be deemed to have duly acquired jurisdiction in *personam* of the defendant company so served.

Time to answer.

Jurisdiction acquired.

Penalty for failure to file annual statement.

Action against agent.

License of agent revoked for failure to comply.

Every such agent who fails or refuses to make and file said annual statement, and to pay the taxes required to be paid thereon, prior to the first day of April after such tax is due, shall be liable for a fine of twenty-five dollars for each day of said delinquency, beginning with the first day of April, and said tax may be collected by distraint, or such tax and such fine may be recovered by an action, to be instituted by the Commissioner, in the name of the state, the Attorney General representing him, in any court of competent jurisdiction, and the fine, when so collected, shall be paid to the State Treasurer, and placed to the credit of the general fund. If any such agent shall fail to make and file said annual statement and pay the said taxes, or shall refuse to allow the Commissioner to inspect and examine his records of the business transacted by him, pursuant to this section, or keep such records in manner as required by the Commissioner, or shall refuse or neglect to immediately notify the insurance company for whom he has placed, registered, or delivered a policy, of the commencement of any action or proceeding in any court in this state against such company, the license of such agent shall be immediately revoked by the Commissioner, and no license shall be issued to such agent within one year from the date of such revocation, nor until all taxes and fines are paid and the Commissioner shall be satisfied that full com-

pliance with the provisions of this section will be had.

Any insurance written under the provisions of this section may be accepted by a governmental agency in lieu of insurance written by a company licensed to do business in this state. An agent duly licensed as provided in this section may accept business from any duly licensed agent for an admitted company and may compensate him therefor, provided such insurance is written in conformity with the provisions of the insurance code.

Insurance same as licensed company.

May accept business from agent of admitted company.

The Commissioner may make and publish reasonable rules and regulations, consistent with this act, in respect to transactions governed thereby and the basis or bases for his determinations hereunder.

Commissioner may make rules.

Passed the House February 25, 1941.

Passed the Senate March 11, 1941.

Approved by the Governor March 21, 1941.

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## CHAPTER 165.

[H. B. 355.]

### RESERVATION OF TIDE LANDS FOR PUBLIC SHOOTING GROUNDS.

AN ACT authorizing the use of certain tide lands for public shooting grounds and providing for the care and control thereof.

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

SECTION 1. The following described tide lands situated in Skagit county, Washington, towit: All tide lands of the second class, including detached tide lands, owned by the State of Washington, situate in front of, adjacent to or abutting upon section 7, township 33 north, range 3 east, Willamette Meridian, lying south of the north line of said section 7, produced west, north of the south line of said section 7,

Public shooting grounds authorized.

Description.