

CHAPTER 26.

[H. B. 60.]

INSURANCE.

AN ACT relating to insurance and amending Sections 7033, 7088 and 7089 of Remington's Compiled Statutes.

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

SECTION 1. That section 7033 of Remington's Compiled Statutes be amended to read as follows:

Amends Rem. Comp. Stat. § 7033; Pierce's Code § 2909.

Section 7033. The terms "company," "corporation," or "insurance company" or "insurance corporation," in this act, unless the context otherwise requires, includes all corporations, associations, partnerships, or individuals engaged as insurers in the business of insurance.

Definitions.

Company, corporation.

"Domestic" designates those companies incorporated or formed in this state. "Foreign" designates those companies incorporated or formed under the laws of the United States or any other state in the United States, and "alien" designates those companies incorporated or formed under the laws of any country other than the United States.

Domestic, foreign.

"Admitted company" designates companies duly qualified and licensed to transact business under the provisions of this act. "Non-admitted companies" designates companies not licensed to transact business in this state under the provisions of this act.

Admitted company.

Non-admitted companies.

"Commissioner" or "insurance commissioner," where used in this act, shall mean the "State Insurance Commissioner."

Commissioner.

"Unearned premiums" and "net value of policies," severally means the liability of an insurance company upon its insurance contracts, other than accrued claims, computed by rules of valuation established by this act.

Unearned premiums, net value of policy.

Net assets.

“Net assets” means the property and funds of an insurance company available for the payment of its obligations; including uncollected premiums not more than three months past due on policies actually in force, and including in the case of a mutual company, its premiums, premium notes, and contingent liability of its policy holders, after deducting from such funds all unpaid losses and claims and all other debts and liabilities except capital.

Profits.

“Profits” of a mutual insurance company means that portion of its cash funds not required for payment of losses and expenses, nor set apart for any purpose allowed by law.

Agent,
local agent.

“Agent,” “insurance agent” or “local agent” is a person, copartnership or corporation, duly authorized and commissioned by an insurance company, to solicit applications for and effect insurance in the name of the company, and to keep a complete record of all such transactions, and to discharge such other duties as may be vested in or required of the agent by said insurance company.

General agent,
manager.

“General agent” or “manager” is a person, copartnership or corporation who has been appointed and commissioned by an insurance company to represent said company in this state, and to receive service of process served on the insurance commissioner as attorney for said company, as provided in sections 7044 of Remington’s Compiled Statutes and 7045 of Remington’s Compiled Statutes, and to manage the affairs of said company in this state the same as if performed by said company itself, and whose appointment as such general agent or manager has been filed by said company with the insurance department of this state on a form furnished by said department: *Provided*, That a resident general agent or manager may be licensed to solicit applications for and effect insurance and appoint solicitors in the same manner as provided for local agents:

Rem. Comp.
Stat. §§ 7044,
7045; Pierce’s
Code §§ 2920,
2920a.

Resident
general
agent or
manager.

Provided further, That the appointment of a resident general agent or manager may be in addition to the number of local agents otherwise provided for, which each company may appoint in this state. The fee for resident general agent's or manager's license shall be the same as for local agent's.

"Special agent" is a person appointed by an insurance company to supervise the operations of the local agent of said company in this state and to perform such other duties as the company appointing him may direct: *Provided*, That such special agent shall not be authorized to countersign policies of insurance on risks located in this state, but shall be required to obtain and keep in force a license to do business in this state: *And Provided further*, That this does not prohibit the issuing and countersigning of reinsurance policies by a special agent. Special agent.

"Solicitor" or "insurance solicitor" is a person duly appointed, authorized and employed by a duly commissioned and licensed insurance agent or broker to solicit, receive, and forward applications for insurance and to collect premiums for such agent or broker, and who makes his principal vocation the soliciting of insurance for the said agent or broker: *Provided*, That all business transacted by said solicitor shall be in the name of the agent or broker appointing him, and said agent or broker shall be responsible for all acts of said solicitor while acting for such agent or broker: *And Provided further*, that a person devoting his whole time to clerical work in the office of an agent or broker shall not be deemed a solicitor and shall not be required to be licensed. Solicitor.

"Broker" or "insurance broker" is any person, copartnership or corporation who, for a compensation, not being an appointed agent for the company in which insurance or reinsurance is effected, acts or aids in any manner in negotiating contracts of in- Broker.

insurance or reinsurance or placing risks or effecting insurance or reinsurance for a party other than himself or itself.

Adjuster. "Adjuster" or "insurance adjuster" is a person representing either an insurer or an insured, who undertakes to ascertain and report to his principal the actual loss or damage to the subject matter of the insurance due to the hazard or peril insured against.

Surveyor. "Surveyor" or "insurance surveyor" is a person, committee, board, bureau, copartnership, or corporation resident within the state, who, in person or by deputy, inspects and surveys the various municipalities and fire hazards in this state, and the means and facilities for preventing, confining and extinguishing fires, and for the purpose of estimating fair and equitable rates for insurance; who furnishes to municipalities and owners of property information and advice as to the measures to be adopted for the reduction of fire hazards on property in this state and lessening the cost of insurance thereon; and, as relating to marine insurance, who inspects vessels and reports on their seaworthiness.

Director. "Director" within the intent of this act means trustee.

Insurable interest. "Insurable interest" is every interest in property, or any relation thereto, or liability in respect thereof, of such a nature that a contemplated peril might directly damnify the insured. "Insured Interest" in the matter of life and health insurance exists when the beneficiary, because of relationship, either pecuniary or from ties of blood or marriage, has reason to expect some benefit from the continuance of the life of the insured.

Bottomry. "Bottomry" is a contract by which a ship or freight is hypothecated as security for a loan which is to be repaid only in case the ship survives a particular risk, voyage or period.

“Double Insurance” exists where the same party is insured by several insurers separately, in respect to the same subject and interest.

Double insurance.

“Over-Insurance” exists where a party having an insurable interest in property has insurance thereon against the same hazard or peril in excess of the actual value of his interest therein.

Over-insurance.

“Reinsurance” means a contract by which an insurer procures a third party to insure it against loss or liability by reason of such original insurance.

Reinsurance.

SEC. 2. That Section 7088 of Remington’s Compiled Statutes be amended to read as follows:

Amends Rem. Comp. Stat. § 7088; Pierce’s Code § 2951.

Section 7088. It shall be unlawful for any company, corporation or association to transact the business of insurance in this state, except as provided in Section 7120 of Remington’s Compiled Statutes, unless the company, corporation, or association, shall have complied with all the provisions of this act, and shall have obtained a certificate of authority from the commissioner.

Rem. Comp. Stat. § 7120; Pierce’s Code § 2982.

No person, firm or corporation shall act as agent for any insurance company, in the transaction of any business of insurance within this state, or negotiate for, or place risks for, any such company, or in any way or manner aid such company in effecting insurance, or otherwise in this state, except as provided in Section 7120 of Remington’s Compiled Statutes, unless such company shall in all things have complied with the provisions of this act. All business transacted by any solicitor shall be in the name of the agent or broker appointing him, and said agent or broker shall be responsible for all acts of said solicitor while acting for such agent or broker.

Unlawful to transact Business without certificate.

Rem. Comp. Stat. § 7120; Pierce’s Code § 2982.

Every insurance agent, solicitor or broker shall annually, on or before the first day of April, procure a license from the commissioner who shall make and keep a record thereof. Every insurance company which shall jointly with any other company or com-

Underwriter’s policy.

Rem. Comp.
Stat. § 7051;
Pierce's Code
§ 2926.

panies issue an underwriter's policy of insurance, as provided in Section 7051 of Remington's Compiled Statutes, shall be subject to all the provisions of this section and each company joining in any such policy shall procure a license for any agent authorized to write such policy for it.

Fire or
marine
insurance.

Any insurance company which shall be authorized to write fire or marine insurance, not including ocean marine as classified by sub-division 1, or marine not including ocean marine insurance, as classified by sub-division 2, or motor vehicle insurance, as classified by sub-division 13 $\frac{1}{2}$, of Section 7128 of Remington's Compiled Statutes, may appoint for the purpose of writing said classes one (1), two (2), and thirteen and one-half (13 $\frac{1}{2}$) not more than one agent to represent such company under its corporate name and one agent to represent such company under its underwriter's agency title in any city, town, township, village or school district; *Provided, however,* That any such insurance company doing business in any city having a population according to the last Federal census of more than fifty thousand inhabitants may appoint one additional agent to represent such company under its corporate name in such city and one additional agent to represent such company under its underwriter's agency title in such city: and *Provided,* That no agent shall be appointed to represent any such insurance company under its underwriter's agency title unless such title shall have been approved by the commissioner: and *Provided further,* That two or more companies writing an underwriter's policy as provided in Section 7051 of Remington's Compiled Statutes, may have for said underwriter's policy two local agents in cities having a population of fifty thousand or more according to the last Federal census and one agent in any other city, town, township, village or school

Rem. Comp.
Stat. § 7128;
Pierce's Code
§ 2990.

Additional
Agent.

Rem. Comp.
Stat. § 7051;
Pierce's Code
§ 2926.

district in addition to the number of agents above provided for.

If any insurance company, corporation, or association, its agents or attorney, shall solicit insurance or shall issue a policy without having complied with the laws of this state, the company, corporation or association, or its agent, or attorney, so issuing the policy or accepting the application for the same, shall be guilty of a gross misdemeanor and shall be subject to a fine of not less than one hundred dollars nor more than five hundred dollars, and imprisonment for a term of not exceeding six months in the discretion of the court.

Penalty.

SEC. 3. That Section 7089 of Remington's Compiled Statutes be amended to read as follows:

Amends Rem.
Comp. Stat.
§ 7089;
Pierce's Code
§ 2952.

Section 7089. No license shall be issued to any applicant for an agent's, solicitor's, or broker's license until such applicant shall have first made and filed in the commissioner's office an application therefor upon a form to be prescribed and furnished by the commissioner, which must show the applicant's name, business and residence addresses, and in the case of an agent's or solicitor's license, the name of the company or agent to be represented, whether as solicitor, agent, special agent, general agent, or manager; present occupation, occupation for last twelve months, portion of time to be devoted to the work, previous insurance experience and name of employers during five years next preceding, and such other information as the commissioner may require. These statements and answers made in the application shall be warranted by the applicant and shall have the same force and effect as if such statements and answers had been made by the applicant as a sworn witness testifying in a superior court in this state. Applications for agent's or solicitor's license must be approved by some one company or by the agent to be represented; and in the case of

Application
for license.

an application for a broker's license, it must also show how long applicant has been engaged in the insurance business and in what branches, under whom applicant received his training, what income, if any, applicant has other than that to be derived from such business, and financial condition of applicant. It shall be the duty of the commissioner to withhold any license applied for, or revoke any license to any agent, solicitor, or broker when he is satisfied that the principal use of such license is to effect insurance upon the property or liability of such agent, solicitor, or broker, or to circumvent or violate the anti-rebate law and he shall withhold or revoke any insurance solicitor's license whenever he shall be satisfied that the provisions of this act requiring such solicitor who makes his principal vocation the soliciting of insurance for the agent or broker for whom he is licensed are being or will be violated by the holder of such license. Each agent or solicitor shall be required to file but one application, regardless of the number of companies he represents: *Provided*, That no person shall act as agent for any company which shall not have applied for a license and paid the fee provided in this act, for such agent: and *Provided further*, That no solicitor shall hold a license for more than one agent for the same class or classes of insurance at the same time; neither can he be licensed as agent and solicitor for the same class or classes of insurance at the same time.

License withheld or revoked.

Revocation of license, hearing.

The insurance commissioner, after notice and hearing, and for cause shown, may revoke the license of any agent, solicitor or broker, if it is evident that such agent, solicitor or broker conducts his business in a dishonest manner, or misrepresents the policies or contracts he sells; or misrepresents the policies or contracts of other agents or companies; or makes any misrepresentation or incomplete comparison of

policies, oral, written, or otherwise, to any person insured in any company for the purpose of inducing or tending to induce a policyholder in any company to lapse, forfeit, or surrender his insurance therein, and to take out a policy of insurance in another company insuring against similar risks; or is conducting his business in such a manner as to cause injury to the public and those dealing with him. Unless revoked by the commissioner, or unless the company by written notice to the commissioner cancels the agent's, solicitor's or broker's authority to act for it, such license and any other license issued to an agent, solicitor or broker or any renewal thereof shall expire on the thirty-first day of March next after its issue. But any license issued and in force when this act takes effect or thereafter issued, may, in the discretion of the commissioner, be renewed for a succeeding year or years by a renewal certificate without the commissioner's requiring the detailed information required by this act.

Expiration
of license.

Passed the House February 2, 1923.

Passed the Senate February 15, 1923.

Approved by the Governor February 23, 1923.

CHAPTER 27.

[S. B. 121.]

MILK AND MILK PRODUCTS.

AN ACT relating to milk and milk products, amending sections 6166, 6172, 6174, 6188, 6189, 6192, 6194, 6210, 6215, 6259 of Remington's Compiled Statutes and repealing sections 6173 and 6187 of Remington's Compiled Statutes.

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

SECTION 1. That Section 6166 of Remington's Compiled Statutes be amended to read as follows:

Section 6166. A creamery, milk plant, cheese factory, milk condensing factory or factory of milk

Amends Rem.
Comp. Stat.
§ 6166;
Pierce's Code
§§ 1855-3.

Factories
deemed
unsanitary.