

CHAPTER 102.

[H. B. 385.]

INVESTMENTS OF DOMESTIC INSURANCE COMPANIES.

AN ACT relating to insurance and amending section 1 of chapter 120 of the Laws of 1937 (section 7054-1 of Remington's Revised Statutes).

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

Amends
§ 7054-1 Rem.
Rev. Stat.

SECTION 1. Section 1 of chapter 120 of the Laws of 1937 (section 7054-1 of Remington's Revised Statutes) is hereby amended to read as follows:

Authorized
investment
of minimum
capital.

Section 1. The capital stock of every domestic insurance company required to have a capital to the extent of the minimum capital required by law, except as specifically authorized or limited by this act, shall be invested and kept invested as follows:

(a) In the legally issued bonds, warrants, and securities of the United States, or the District of Columbia, or of any state of the United States, not estimated above their current market value; or,

(b) In the legally issued bonds, warrants, and securities of any county, incorporated city, or incorporated school district of the state, which has not defaulted in the payment of interest on any of its bonds, warrants or securities within three years, and which shall not be estimated above their par value, or their current market value; or,

(c) In the legally issued notes and bonds secured by mortgages or deeds of trust which shall be first liens on unencumbered real property in this state worth fifty per centum more than the amount loaned thereon, except that assessments and taxes not delinquent, leases under which at least ninety per cent (90%) of the rents are all payable in the future, party-wall agreements, reservations of minerals, oils, and timber, easements and rights of way for sewer, telephone, telegraph, electric light and

power lines, drains, ditches, railroads, etc.; building, use or occupancy restrictions common to the community in which the property is located, liens for service and maintenance of water rights where not delinquent, shall not be regarded as encumbrances: *However*, If under any of such exceptions there is any sum owing but not due or delinquent, the total amount of such sum shall be deducted from the amount which otherwise might be loaned on the property, and the value of any timber or right reserved shall not be included in the appraised value of the property. Where buildings or other improvements constitute a material part of the value of the mortgaged premises, they shall be kept insured against loss or damage by fire in a reasonable amount for the benefit of the mortgagee; or,

(d) In any security or securities or class of security or securities when approved by the Insurance Commissioner.

Passed the House February 28, 1939.

Passed the Senate March 7, 1939.

Approved by the Governor March 11, 1939.

CHAPTER 103.

[H. B. 407.]

INSURANCE RATING SCHEDULES.

AN ACT relating to insurance companies; providing requirements for doing business in this state; requiring filing of rating schedules; and amending section 1 of chapter 88 of the Laws of 1935 (section 7118 of Remington's Revised Statutes).

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

SECTION 1. That section 1 of chapter 88 of the Laws of 1935 (section 7118 of Remington's Revised Statutes) is amended to read as follows:

Amends
§ 7118 Rem.
Rev. Stat.