

No. 602, A.]

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## CHAPTER 329.

AN ACT to authorize the formation of a mutual insurance company to insure against hail, tornadoes, cyclones and hurricanes.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. Any number of persons not less than one hundred, residing in this state, who shall collectively own real estate herein of not less than two hundred and fifty thousand dollars in value may associate themselves and be incorporated for the purpose of mutual insurance against loss or damage by hail, tornadoes, cyclones and hurricanes, by complying with the provisions of this act.

Formation of mutual insurance companies authorized.

SECTION 2. They shall organize by adopting and signing articles of incorporation, which shall contain:

What articles of incorporation shall contain.

1. The name of the corporation, which shall not be the same as that previously assumed by any other corporation in the state.

2. The general nature of its business and the place of its principal office or headquarters.

3. The names and residence and the value of the real estate owned by the persons respectively so associated to form such corporation.

4. The time of commencement and the period of duration of such corporation.

5. The number, names and places of residence of the directors and of the president, secretary and treasurer of such corporation for the first year of its existence, and the time and place of the election of their successors.

SECTION 3. Such articles shall be acknowledged by the persons signing the same in the manner by law provided for the acknowledgment of deeds, and shall be filed for record in the office of the commissioner of insurance.

How articles shall be acknowledged.

Articles to be submitted to the attorney general before recording or any certificates are issued.

**SECTION 4.** The commissioner of insurance shall before recording such articles submit the same to the attorney-general, who shall examine said articles, and if he finds the same to have been executed in conformity to law, he shall endorse the word "approved" thereon and date, sign and return same to the commissioner of insurance, who shall thereupon record the same in the records in his office, and shall issue under his hand and official seal and deliver to the said corporation his certificate to the effect that such corporation has been duly incorporated under the provisions of this act, and is authorized to transact business from and after the date thereof. Such certificates shall be recorded in the office of the register of deeds of the county wherein such corporation shall have its principal office, and said certificate and records and any certified copy of such records shall be received in all the courts of this state as prima facie evidence that such corporation has been duly organized and created under the laws of the state of Wisconsin.

Corporation is formed after certificate is issued.

**SECTION 5.** Upon the issuance of such certificate the persons therein named shall be and become a corporation, and authorized to transact the business of mutual insurance against loss or damage to property by hail, tornadoes, cyclones or hurricanes, in such manner and upon such terms as in and by its by-laws may be provided. It shall have perpetual succession, sue and be sued, contract and be contracted with, implead and be impleaded by its corporate name in any of the courts of this state, and shall possess the usual powers and be subject to the usual duties of corporations.

Management of business of corporation shall be vested in nine directors.

**SECTION 6.** The general management of the business of said corporation shall be vested in nine directors, who shall be elected by ballot, each of whom shall during his term of office be a policy holder in such corporation, such directors to be divided into three classes, to be elected for one, two and three years respectively, and after the first year three of such directors shall be elected annually, and shall hold their office for three years, and until their successors are

elected and qualified. The directors shall choose from their number a president, secretary and treasurer, whose respective terms of office shall be one year, and whose bonds, duties and compensation shall be such as may be in the by-laws of the corporation provided.

SECTION 7. Such corporation before commencing its business shall prepare and adopt by-laws which shall describe the duties of its officers, the manner, place and time of electing them, the directors, the method and manner of transacting its business and such other rules and regulations as may be deemed essential for the government of the corporation and the management of its officers, not provided in this act. Such by-laws shall not be amended, changed, suspended or repealed except in the manner therein set forth, and a copy of the same and of any subsequent amendments thereto or changes therein shall be forthwith filed by the secretary, with a copy of all blanks, with the commissioner of insurance, who shall safely keep the same in his office.

Before commencing business they shall meet and adopt by-laws, etc.

SECTION 8. Such corporation is authorized to issue policies of insurance signed by its president and secretary, agreeing to pay the person assured thereby, all losses and damages to the property insured which he may sustain by hail, tornadoes, cyclones and hurricanes, for a period of not more than five years, and not exceeding in amount the sum specified in such policy.

Authorized to issue policies.

SECTION 9. Every holder of a policy of such insurance shall be a member of the corporation. He shall have the right to participate in the election of directors, and shall be eligible to election to any office in such corporation; he shall be liable to the corporation for his pro rata share of all losses and damages by hail, tornadoes, cyclones and hurricanes sustained by any other member, and also for his pro rata share of the expenses of the management of the business of such corporation, and shall give his undertaking bearing even date with his application for a policy of insurance to him, binding himself, his heirs and assigns, to pay

Every policy-holder shall be a member of the corporation.

his said pro rata share of losses and expenses, and shall also be bound and subject to the by-laws thereof.

Corporation shall provide in its by laws how insurance shall be effected and conditions thereof.

SECTION 10. The corporation shall in its by-laws provide for the manner in which insurance shall be effected and the terms and conditions thereof, the time and manner in which losses sustained under its policies of insurance shall be determined, proved, adjusted and paid, the time and manner in which assessments shall be made upon its members for their respective pro rata share of such losses, and the time, manner and place in which, and the person to whom, such assessments shall be paid. It shall also in its by-laws provide such other regulations, terms and conditions as may be necessary for effectively and fully carrying out its method of insurance, and the said by-laws in force at the time of the date of any policy of insurance issued by the corporation shall have the force and effect of law in the determination of all questions and claims arising under such policy. Any member of such corporation may withdraw therefrom at any time, by giving notice in writing to the president, or in his absence to the secretary thereof, and paying his share of all claims then existing against said corporation.

Secretary to submit a detailed statement to the members annually.

SECTION 11. The secretary of the corporation shall prepare and submit to the members thereof at each annual meeting a detailed statement of the condition of such corporation, and its transactions for the preceding year, showing the number of policies issued, the amount insured thereby, the total number of policies in force, and the total amount of risks at the date of report, the number of assessments made, the amount actually paid in upon each assessment; the losses sustained, whether the same have been paid or adjusted or remain unpaid or unadjusted or are disputed; the number of members of the corporation, the number of new members received, the names and residences of members who have withdrawn or been suspended or expelled from the corporation, the policies which have been cancelled, an itemized

statement of the expenses of such corporation during the preceding year, and of the amount and condition of its funds and such other matters as may be of interest to the members. A copy of such annual statement shall within thirty days after such meeting be filed with the commissioner of insurance, who shall publish an abstract of such statement in his annual report.

SECTION 12. No corporation formed under this act shall continue for a longer period than thirty years. Duration of corporation 30 years.

SECTION 13. No corporation formed under this act shall insure any property outside the state of Wisconsin, nor any property other than detached dwellings and farm buildings and their contents and live stock while on the premises or running at large, and hay, grain and all other products while growing or while in the shock, stack, bin, crib, granary, or other buildings upon such premises; nor shall it insure any property whatever in any incorporated city or village. Cannot insure outside the state, and only detached property outside of a city or village.

SECTION 14. All books, papers and files of such corporation shall at all times be open to the examination of any member or his agent or attorney, or the commissioner of insurance, and any such member, agent or attorney shall at all times have the right to make such copies of such books, papers and files as he may wish to have, and the commissioner of insurance shall make an examination of each such corporation at least once in every three years. All books, papers and files shall be open for inspection at all times.

SECTION 15. The articles of association may be amended in any respect which might have been lawfully made a part of such original articles, at any annual meeting of the members of the corporation, upon a vote of two-thirds of the members present at such meeting. Articles of association may be amended.

SECTION 16. This act shall take effect and be in force from and after its passage and publication.

Approved April 19, 1895.