

Time for
expiring
liquor licenses
may be
extended.

the provisions of any city charter, and expiring by the terms thereof, on the first Tuesday of May next, may be extended by the common council of any such city, until the first Tuesday of July following, upon the payment of one-sixth of the annual license fees, and upon the terms and conditions and in the manner provided for by section 1548, of the revised statutes.

SECTION 2. This act shall take effect and be in force from and after its passage and publication.

Approved April 20, 1897.

No. 380, S.]

[Published April 22, 1897.

CHAPTER 277.

AN ACT to regulate casualty insurance and suretyship corporations.

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

Number of
persons re-
quired to form
a surety cor-
poration;
kinds of surety
business
allowed.

SECTION 1. Any number of persons, not less than fifteen, may, in the manner hereinafter prescribed, form a corporation for the purpose of issuing policies for any of the following kinds of insurance, and doing the following kinds of suretyship business:

1. To insure any person against bodily injury, disablement or death, resulting from traveling or general accidents, and provide disability benefits by reason of disease or illness.

2. Insuring any one against loss or damage resulting from accident to, or injury suffered

by, an employe or other person, and for which the person insured is liable.

3. Guaranteeing the fidelity of persons holding places of public or private trust; guaranteeing the performance of contracts other than insurance policies, and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed.

4. For the purpose of examining titles to real estate, and chattels real, to procure and furnish information relating thereto, make and guarantee the correctness of searches for all instruments, liens or charges affecting the same, and guarantee or insure bonds and mortgages and the owners of real property and chattels real, and others interested therein, against loss by reason of defective titles thereto, and other incumbrances thereon. Such corporations shall be known as a title guarantee corporation.

5. To guarantee and indemnify merchants, traders and those engaged in business and giving credit from loss and damage by reason of giving and extending credit to their customers and those dealing with them. Such corporation shall be known as a credit guaranty corporation.

6. Against loss by burglary or theft, or both.

7. Upon glass against breakage.

8. Upon steam boilers, and upon pipes, engines and machinery connected therewith, or operated thereby, against explosion and accident and against loss or damage to life or property resulting therefrom, and to make inspection of and to issue certificates of inspection upon such boilers, pipes, engines and machinery.

9. Upon elevators and machinery forming a part thereof, and to make inspection of and to issue certificates of inspection upon such elevators and machinery.

10. Against any other casualty or insurance risk specified in the charter which may lawfully

Written articles of organization containing a declaration to be filed with the commissioner of insurance.

be the subject of insurance not otherwise provided for by the insurance laws of this state.

SECTION 2. Such persons shall make, sign and file in the office of the commissioner of insurance, written articles of organization containing a declaration in which shall be stated:

1. That they associate for the purpose of transacting the business of casualty insurance or surety, stating the nature and kind thereof.

2. The name of the corporation and the place where the principal office of business shall be located.

3. The capital stock, the number of shares thereof, and the amount of each share.

4. The designation of the general officers, and the number of directors or trustees.

5. The mode and manner of electing directors or trustees, filling vacancies in their number, and their term of office. The term of the directors, however, shall be so classified that a proportionate number shall hold for one, two and three years respectively, and thereafter the terms of directors shall be three years.

6. The period for the commencement and termination of their fiscal year.

7. Such other provisions of articles, not inconsistent with law, as they may deem proper to be therein inserted for the interest of such corporation or the accomplishment of the purposes thereof, or to define the manner in which the corporate powers granted in this chapter shall be exercised. Such persons so associating for the purpose of forming a corporation as aforesaid, shall be known as incorporators, and shall sign the articles of incorporation and acknowledge the same before a person authorized by law to take acknowledgments; and shall thereupon publish a notice of such intention, once in each week, for at least four weeks, in at least three public newspapers published in such county, where such insurance corporation is proposed to be located, and shall file in the office of the commissioner of insurance, proof of

such publication, by affidavits of the publishers or clerks or foremen of such publishers. Any name not previously in use in any existing corporation may be adopted, but such name must clearly designate the object and purposes of the corporation; and the commissioner of insurance may reject any name or title, when in his judgment it too closely resembles that of any existing corporation, or is likely to mislead the public.

SECTION 3. It shall be unlawful for any such casualty insurance or suretyship corporation to organize under this act, for any one of the purposes described in section 1, with a smaller capital stock than one hundred thousand dollars fully paid in in cash, with an additional capital stock of fifty thousand dollars fully paid in in cash for every kind of insurance, more than one, which it is authorized to do by this chapter: Provided, however, that any corporation organized under subdivision three of section 1, of this chapter, shall have a capital stock of not less than two hundred thousand dollars fully paid in in cash, and that any corporation organized under subdivision four of section 1, of this chapter, shall have a capital stock of not less than one hundred and fifty thousand dollars fully paid in in cash; and before the corporation commences business the whole capital must be invested in treasury notes, in stocks or bonds of the United States, in stocks or bonds of the state of Wisconsin, or of any cities or county thereof, or mortgages on unencumbered real estate within the state of Wisconsin, worth double the amount loaned thereon, exclusive of buildings, unless such buildings are kept insured and the policy held by such corporation, and no corporation shall commence business until it has deposited with the state treasurer at least one hundred thousand dollars in the stocks, bonds and mortgages aforesaid, approved by the commissioner of insurance, duly made or assigned to the state treasurer in trust for the purposes

Minimum capital stock to be \$100,000 paid up capital.

State treasurer to hold securities.

mentioned in this chapter. The state treasurer shall hold such securities for the benefit and protection of the policy holders of the corporation; and so long as any such corporation continues solvent he shall permit it to collect the interest or dividend on such securities, and from time to time withdraw such securities, or any part thereof, if approved by the commissioner of insurance, on depositing with the state treasurer other securities of the kind heretofore named, of equal value with those withdrawn.

Articles of organization, etc., to be examined by the attorney general.

SECTION 4. The articles of organization and notices and proofs of publication filed as aforesaid with the commissioner of insurance, shall be examined by the attorney general, and if found in conformity with this chapter and not in conflict with the constitution or laws, he shall so certify to the commissioner of insurance, who shall thereupon notify the corporators of his approval of such articles of incorporation, after receipt of which notice the said corporators shall have power to open books for subscription to the capital stock of such proposed casualty insurance or suretyship corporation, and keep the same open until the whole amount thereof is subscribed, and to collect the capital and complete the organization of the corporation. Before any such casualty insurance or suretyship corporation organized under the laws of this state, shall commence transacting business, the commissioner of insurance shall himself examine, or cause an examination to be made by a disinterested person specially appointed by him for that purpose, and if he shall find, or the person so appointed shall certify after such examination, under oath, that the proper capital of such corporation has been paid in and is possessed by it in money or invested in such stocks, bonds and mortgages as required by law, and file such certificate in the office of the commissioner of insurance, and the corporators or officers of such corporation shall also file with said commissioner, a certificate

under oath, that the capital exhibited to such examiner is bona fide the property of the corporation, and shall deposit with the state treasurer the securities as provided in section 3; the said commissioner of insurance shall then deliver to such corporation a patent reciting the articles of organization and declaring such corporation duly organized and empowered to transact the business of insurance therein defined. Thereupon such corporation shall be deemed and taken to be duly organized as a corporation and shall have all the powers and be subject to all the provisions of law relating to corporations, so far as the same are applicable.

SECTION 5. Each director or trustee of any such stock corporation shall be the owner of at least five hundred dollars of the stock of the corporation at its par value. The directors, trustees and corporators, and those empowered to participate in the profits under the provisions of this chapter, shall be jointly and severally liable for all the debts and liabilities of such corporation, until the whole amount of the capital shall have been paid in, and a certificate thereof filed, as hereinbefore provided, and any insurance corporation may have a lien upon the stock or certificate of profits owned by any member, for any debt due, or to become due the corporation for premiums, by providing therefor in the by-laws, and by stating on the face of the certificate of stock or profits that the same is subject to any such lien; and, upon the transfer of any such stock, the president of such corporation may, by an instrument in writing, waive any such lien arising prior to such transfer.

Qualifications
of directors.

SECTION 6. Any casualty insurance or suretyship corporation organized under this chapter may invest any surplus money, over and above the capital stock, or loan the same upon the pledge of stock or bonds of the United States, or any of the states, or of any city or county of this state, or on the stocks or bonds or other

Relating to
the invest-
ment of sur-
plus funds.

evidences of indebtedness of any solvent corporation, incorporated under the laws of this state or of the United States, except their own stock, provided the market value of such stock, bonds or other evidences of indebtedness shall be at all times, during the continuance of such loan, at least ten per cent. more than the sum loaned thereon.

Casualty insurance or suretyship corporations not to engage in any other kind of insurance.

SECTION 7. No casualty insurance or suretyship corporation shall be formed or licensed under this chapter for the purpose of undertaking any other kind of insurance than that specified in the subdivisions comprised in section 1, of this chapter, or more kinds of insurance than are specified in a single subdivision, except that a corporation may be formed or licensed for all the purposes combined, except subdivisions four, five and ten of section 1, and may also be formed for any two or more of them specified in subdivisions one, two, three, six, seven, eight and nine, and may also be formed or licensed for subdivisions three and five. No one policy issued by any one corporation shall embrace more kinds of insurance than are specified in one of such subdivisions, but a policy may embrace risks specified in subdivisions eight and nine. Any casualty insurance or suretyship corporation doing more than one kind of business, as provided by this chapter, shall make application to the commissioner of insurance for a separate license for each and every kind of business it proposes to do under its act of incorporation, and no one license shall be issued to any agent or agents of such corporation covering more than one subdivision, as provided in section 1, of this chapter, and the fee for each agents' license shall be one dollar.

Companies organized in other states may be admitted to this state. Conditions defined.

SECTION 8. Any casualty insurance or suretyship corporation organized under the laws of any other state of the United States or foreign country, may be admitted to transact business in this state, by filing with the commissioner

of insurance, for his approval, the following documents and papers:

1. An application for license to do business in the state of Wisconsin setting forth the corporate name of the corporation in full, the location of the principal office of business and separately the several kinds of business to be transacted; said application to be signed only by the president or general manager of the corporation, so applying.

2. A statement verified by the oath of the president, secretary or manager, residing in the United States, showing to the satisfaction of the commissioner of insurance that such corporation has a capital stock of at least two hundred and fifty thousand dollars, and has invested in securities the sum of at least one hundred thousand dollars, and that such securities are deposited with the superintendent of the insurance department, state treasurer, or other proper state officer of some one of the states of the United States, and that such securities are not pledged or incumbered, and have a market value of at least one hundred thousand dollars, but are held and remain for the benefit and security of the policy holders of such corporation residing in the United States; or in default of such statement, shall deposit with the state treasurer for the benefit and security of policy holders residing in this state, a sum not less than fifty thousand dollars in securities, as hereinbefore provided; provided, however, that if such corporation shall desire to do business under more than one of the subdivisions as provided in section 1, of this chapter, then such corporation shall make an additional deposit of fifty thousand dollars in securities as aforesaid, for each additional subdivision that it desires to do business under. The stocks and securities so deposited may be exchanged from time to time for other securities to be approved by the commissioner of insurance, and so long as the corporation so deposit-

ing shall continue solvent and comply with the laws of this state, such corporation may be permitted by the state treasurer to collect the interest or dividends on said deposits.

3. A copy of its charter and by-laws, duly certified to by the superintendent of the insurance department of the state or country wherein incorporated, together with a certificate of that officer that the corporation is duly and regularly organized and licensed to transact the business of casualty or fidelity insurance in such state or country, stating separately the different kinds as provided by subdivisions of section 1, together with an appointment of the commissioner of insurance of this state, or his successors in office, as attorney upon whom any summons, notice or process of any court of this state may be served, as required of fire insurance corporations of other states.

4. A complete statement of the financial condition, as shown by the last annual statement of the insurance department of the state, or country wherein organized and incorporated, and a financial statement showing the condition of the corporation on the first day of the month next preceding the date of application. Casualty insurance and suretyship corporations organized under the laws of any other state of the United States or foreign country, admitted to transact business in this state, must comply with the laws governing like corporations organized under the laws of this state, except as hereinbefore provided and all such corporations and all persons acting as agents thereof, shall be subject to the same penalties prescribed in such insurance laws for a violation of any of the provisions thereof, and to the same methods for the enforcement of such penalties as are prescribed therein.

Bonds of surety companies may be accepted by public officers as lawful bonds.

SECTION 9. Whenever any bond, recognition, obligation, stipulation or undertaking is by law, or the rules or regulations of any board, body or organization required or per-

mitted to be made, given, tendered or filed for the security or protection of any person, persons, corporation, state, county, municipality or other organization, whatsoever, conditioned for the doing or not doing of anything in such bond, recognizance, obligation, stipulation or undertaking specified, any and all heads of departments, public officers, state, county, town or municipal, and any and all boards, municipalities, committees thereof, courts and judges now or hereafter required or permitted to accept or approve the sufficiency of any such bond, recognizance, obligation, stipulation or undertaking, may, in the discretion of such head of department, court, judge, public officer, board, municipality, or committee thereof, accept such bond, recognizance, obligation, stipulation or undertaking, and approve the same whenever the same is executed, or the conditions thereof are guaranteed, solely by a corporation authorized to guarantee the fidelity of persons holding places of public or private trust, to guarantee the performance of contracts other than insurance policies, and to execute and guarantee bonds and undertakings, required or permitted in actions or proceedings, or by law allowed; and whenever any such bond, recognizance, obligation, stipulation or undertaking is so required or permitted to be made, given, tendered or filed with one surety, or with two or more sureties, the execution of the same, or the guaranteeing of the performance of the conditions thereof, shall be sufficient when executed or guaranteed solely by such corporation so authorized, and shall be in all respects a full and complete compliance with every requirement of every law, ordinance, rule or regulation that such bond, undertaking, recognizance, obligation or stipulation shall be executed or guaranteed by one or more sureties, or that such sureties shall be residents or householders or freeholders; and any and all heads of departments, courts, judges, boards,

municipalities, or committees thereof, and any and all public officers, state, county, town or municipal, whose duty it may be or shall hereafter be, to accept or approve the sufficiency of any such bond, recognizance, obligation, stipulation or undertaking, may accept and approve the same when executed or guaranteed solely by such a corporation; and all such corporations are hereby vested with full power and authority to execute or guarantee such bonds, recognizances, stipulations, obligations or undertakings, whether given under the laws of this state, or of the United States, or of any state or country.

Commissioner of insurance to issue a certificate to surety company upon due proof, etc.

SECTION 10. That the commissioner of insurance of the state of Wisconsin, upon due proof by a surety company, of its possessing the qualifications in this act specified, shall issue to such company a certificate setting forth that such company has qualified and is authorized for the ensuing year to do business under this act, which said certificate shall be evidence of such qualification of such company, and of its authorization to become and to be accepted as sole surety on all bonds, recognizances, obligations, stipulations or undertakings required or permitted under section 9, and the solvency and credit of such company for all purposes, and its sufficiency as such surety, and said certificate shall be and the same hereby is made equivalent to the justification of sureties required by law.

Relating to releases from liability.

SECTION 11. Any corporation executing such bond, recognizance, obligation, stipulation or undertaking, and any such surety may be released from its liability on the same terms and conditions as are, or may be by law prescribed, for the release of individuals upon any such bond, recognizance, obligation, stipulation or undertaking, it being the true intent and meaning of this act to enable corporations created for that purpose to become surety on bonds, recognizances, obligations or undertakings re-

quired by law, municipal or otherwise, or the rules or regulations of any court, judge, board, city charter, village, town organization or otherwise.

SECTION 12. That any receiver, assignee, guardian, committee, trustee, executor, administrator or other fiduciary, required by law or the order of any court or judge, to give a bond or other obligation as such, may include as a part of the lawful expense of executing his trust, such reasonable sum paid a corporation, authorized under the laws of this state so to do, for becoming his surety on such bond or obligation as may be allowed by the court in which, or the judge before whom, he is allowed or required to account, not exceeding, however, two per centum per annum on the amount of such bond or obligation by such surety executed; and in all actions or proceedings the party entitled to recover costs may include therein such reasonable sum as may have been paid by him to such corporation for executing or guaranteeing any bond or obligation therein.

Lawful expense of receiver, assignee, etc., executing his trust may be allowed by the court.

SECTION 13. That it shall be lawful for any receiver, assignee, guardian, trustee, committee, executor, administrator, curator, or other fiduciary, or party, of whom a bond, undertaking or other obligation is required, to agree and arrange with his surety or sureties, for the deposit for safe keeping of any or all money, assets and other property for which he is or may be responsible, with a bank, savings bank, safe deposit or trust company authorized by law to do business as such, and in such manner as to prevent the withdrawal or alienation of such money, assets or other property, or any part thereof, without the written consent of such surety or sureties, or an order of the court or a judge thereof, made on such notice to such surety or sureties as the court or judge may direct.

Respecting the safe keeping of money deposited by a receiver, assignee, etc.

SECTION 14. That the state, or any county,

Cost of bonds furnished by surety company may be reimbursed to the giver of official bonds.

township or municipality may, in its discretion, pay out of the funds of said state, county, municipality or township, the cost of any official bond furnished by any officer of said state, county, township or municipality, required by the law, rules or regulations thereof, to execute the same, in case said officer shall furnish the same with a surety company or companies authorized to do business in this state under the laws thereof, said cost not to exceed, however, one per cent. per annum on the amount of said bond or obligation by said surety executed.

Cannot enforce the liability.

SECTION 15. Any such casualty insurance or suretyship corporation which shall execute any bond, recognizance, obligation, stipulation or undertaking as surety under the provisions of this chapter, shall be estopped in any proceedings to enforce the liability which it shall have assumed to incur, to deny its corporate power to execute such instrument or assume such liability.

May guarantee merchants, etc., from loss.

SECTION 16. Any casualty insurance or suretyship corporation licensed to transact business in this state as a credit guarantee corporation, shall have the right, power and authority to guarantee from loss and to agree to pay to merchants, manufacturers, dealers and persons engaged in the business of giving credit, the debt or debts owing to them, and to indemnify them from loss, and to charge and receive therefor such a sum or per cent. as consideration for such agreement, guarantee and indemnity as shall be agreed upon between such corporation and the persons guaranteed, and to buy, hold, own and take an assignment of any and all claims, accounts and demands so guaranteed, and to hold, own and collect the same and to enforce the collection thereof by action the same as the original holder and owner thereof might or could do; also to insure the payment of money for personal services under contract of hiring. Any such corporation may use its capital stock or its funds accumulated in the course

of its business, to purchase or pay for any claim or demand, the payment of which it has or does guarantee.

SECTION 17. No casualty insurance corporation organized under the laws of this state, or organized under the laws of any other state of the United States or foreign government, doing business in this state, shall expose itself to any loss on any one accident to an amount exceeding ten per cent. of its capital; provided, that no casualty corporation issuing a policy of boiler insurance shall expose itself to any loss under any one accident to an amount exceeding fifty thousand dollars, and each such corporation shall have power to effect re-insurance of the whole or any part of any risk taken by it, in any other authorized insurance corporation of like kind, and to re-insure the risks taken by any other such corporation. No portion of any obligation which shall have been re-insured in a casualty insurance corporation authorized to do business in this state, or upon which such corporation shall be otherwise fully protected against loss, shall be included in determining the limitation of risk prescribed in this section, but this section shall not relate to a surety company.

Limit of liability not to exceed 10 per cent. of its capital.

SECTION 17 1-2. No casualty insurance corporation issuing employer's liability policies, shall condition the contract upon the compliance with "any law or ordinance respecting the safety of persons," but shall clearly and distinctly state what conditions and requirements are to be complied with by the assured.

Conditions to be complied with by the insured.

SECTION 18. No casualty insurance or suretyship corporation organized under the laws of this state, shall directly or indirectly deal or trade in buying or selling any goods, wares, merchandise, or other commodities whatever, excepting such goods or articles as may have been insured by such corporation, and are claimed to be damaged; nor hold nor convey real estate, except for the purposes and in the

Cannot engage in buying or selling wares, merchandise, etc.

manner herein set forth, to-wit: Such as shall be necessary for its convenience in the transaction of its business, or such as may have been conveyed or mortgaged to it in good faith by way of surety for loans, or for debts or money due in its legitimate business, or such as have been purchased at sales upon judgments or mortgages obtained or made for such debts; but all such real estate as may be so acquired, which shall not be necessary for the accommodation of such corporation in the transaction of its business, shall be sold or disposed of within four years after such corporation shall have acquired the same, unless such corporation shall procure a certificate from the commissioner of insurance that it will suffer materially from a forced sale thereof; in which event the sale may be postponed for such period as said commissioner may therein direct.

No dividends to be declared except from the surplus.

SECTION 19. It shall not be lawful for the directors, trustees or managers of any such casualty insurance, or suretyship corporation, organized or incorporated in this state, to make any dividends, except from the surplus profits arising from their business, nor divide, withdraw, or in any way pay to the stockholders, or any of them, any part of the capital of such corporation, or reduce its net surplus to an amount less than ten per cent. of its capital stock, except as authorized by law; in case of any violation of the provisions of this section, the directors under whose administration the same has happened (except those who have caused dissent therefrom to be entered at large upon the minutes of such directors' meeting at the time, or were not present when the same happened), shall jointly and severally be liable to such corporation, and to the creditors thereof, to the full amount of the capital of such corporation so divided, withdrawn, paid out or reduced. In estimating such profits, there shall be reserved therefrom, a sum equal to the whole amount of unearned premiums on unexpired

risks and policies; and also there shall be reserved all sums due the corporation on bonds and mortgages, stocks and book accounts, of which no part of the principal or the interest thereon, has been paid during the last year, and for which foreclosure or suit has not been commenced for collection, or which, after judgment obtained thereon, shall remain more than two years unsatisfied, and on which interest shall not have been paid; and, also, there shall be reserved all interest due and remaining unpaid, and all deposits for the special protection of policy holders for other states of the United States, or of foreign governments. Any such corporation may declare dividends not exceeding ten per cent. of its capital stock in any one year, if in addition to the amount of its capital stock, plus ten per cent. of the capital stock, and of such dividends and all of its outstanding liabilities, it shall have accumulated and be in possession of a lawful fund equal to the amount of all unearned premiums on risks not terminated at the time of making such dividend. No dividends in excess of said ten per cent. of its capital stock shall be declared as hereinbefore provided, until such corporation shall be in possession of a net surplus equal to one-half of its capital stock. Any dividend made contrary to the provisions of this section, shall work a forfeiture of the charter of the corporation making such dividend, and each stockholder receiving such dividend shall be liable to the creditors of the corporation to the extent of the dividend received, in addition to the other penalties and punishments prescribed by law. The word "year," whenever used in this section, shall not be construed to mean the calendar year.

SECTION 20. Any casualty insurance, or suretyship corporation organized under the provisions of this chapter, whenever it shall have accumulated and be in possession of a fund, in addition to the amount of its capital stock and all actual outstanding liabilities, including a

Conditions upon which capital stock may be increased.

re-insurance reserve, in excess of one-half of the amount of all premiums on risks not terminated, such corporation may increase its capital stock from such fund, and distribute said increase pro rata to the stockholders of such corporation; provided, always, that such increase shall be equal to at least twenty-five per cent. of the original capital stock of said corporation, and shall have been authorized by at least three-fourths of the members of the board of directors of such corporation, and approved by the commissioner of insurance; and, provided also, that any such corporation may hereafter make and declare a dividend as provided in the preceding section of this act.

Proceedings
necessary for
increasing the
capital stock.

SECTION 21. Any casualty insurance, or suretyship corporation organized under the provisions of this chapter, may at any time increase the amount of its capital stock (after notice of such intentions given once a week for four weeks in any newspaper published in the county where such corporation is located), with the written consent of three-fourths, in amount of its stockholders, unless otherwise provided in its agreement of organization, by altering or amending the same in this respect, and filing a copy thereof, so amended, together with a declaration under its corporate seal, signed by its president and directors, of its desire so to do, with such written consent of three-fourths, in amount of its stockholders, to such increase, in the office of the commissioner of insurance, whereupon the same proceedings shall be had as are required upon the organization of a casualty insurance, or suretyship corporation under this chapter.

Duty of the
commissioner
of insurance
in cases where
the capital
stock is
impaired.

SECTION 22. Whenever it shall appear to the commissioner of insurance from any statement made to him, or from an examination made by him, or by any examiner appointed by him, that the capital stock of any such casualty insurance, or suretyship corporation is impaired to an amount exceeding twenty per cent. of such

capital, and he shall be of the opinion that the interests of the public will not be prejudiced by permitting such casualty insurance, or suretyship corporation, organized under the provisions of this chapter, to continue business with a reduced capital, it shall be lawful for such corporation, with the permission of said commissioner of insurance, to reduce its capital stock and the par value of the shares thereof, to such an amount as the said commissioner of insurance may, under his hand and seal, certify to be proper, and as shall, in his opinion, be justified by the assets and property of such corporation; provided, that no part of such assets and property shall be distributed to the stockholders; and provided further, that the capital stock of any such corporation shall not be reduced to an amount less than the sum now required by law, for the organization of a new corporation under this chapter. No reduction of the capital of any such corporation shall be made, except upon a vote of the majority of the stock represented at a meeting legally called for that purpose. Provided, however, that if in the opinion of the commissioner of insurance, such reduction of the capital stock will not be to the interests of the policy holders, or in the event of the refusal of the stockholders to consent to such reduction, the commissioner of insurance shall determine the amount of the impairment or deficiency, and issue a written requisition to the corporation to require its stockholders to make good the amount of impairment or deficiency within such period as he may designate, not less than thirty nor more than ninety days from the service of the requisition. Upon receipt of the requisition of the commissioner of insurance, the directors of the corporation shall forthwith call upon its stockholders ratably for such amounts as will make up such impairment or deficiency. If any stockholder refuses or neglects to pay the amount called for after notice,

personally given or by advertisement, in such time as will comply with the order of the commissioner of insurance, the board of directors of the corporation may by resolution declare the stock of such person cancelled, void and of no effect, but such failure to pay shall not release the stockholder from any liability to the corporation. The directors may issue new certificates of stock in lieu of the stock so forfeited, and dispose of the same at not less than par. For any losses accruing upon new risks taken after the expiration of the period limited by the commissioner of insurance in any such order, and before such impairment shall be made up, the directors of the corporation shall be jointly and severally individually liable to the extent thereof. Any transfer of stock made during the pendency of any such examination, or after any such report shall have been made, and before any impairment or deficiency specified in such order shall be made good, shall not release the person making the transfer from his liability for loss accruing previous to such transfer. If the amount of such impairment or deficiency shall not be made good within the time specified in such order, the corporation shall be deemed insolvent, and it shall be the duty of the commissioner of insurance and the attorney general to apply forthwith for the appointment of a receiver and the annulment and forfeiture of its corporate franchises.

Company may re-insure all its policy obligations in another corporation.

SECTION 23. The receiver of any casualty insurance, or suretyship corporation, when authorized by the court so to do, may re-insure all the policy obligations of the corporation in any solvent corporation authorized to do business in this state, if the assets of the corporation of which he is receiver are sufficient to effect such re-insurance. If such assets are insufficient for that purpose, the receiver upon the like consent, may re-insure a percentage of each policy obligation on such corporation outstanding, to the

extent that its assets may be sufficient for that purpose.

SECTION 24. Every corporation transacting, in this state, the business of casualty insurance, or suretyship, as provided in this chapter, shall on or before the first day of March in each year, pay to the commissioner of insurance, as a state tax, an amount equal to two per cent. of its receipts for premiums on said business in this state, during the calendar year preceding, as shown by its reports required to be made by law.

Two per cent. tax to be paid.

CORPORATIONS FOR INSURANCE OF DOMESTIC ANIMALS AND BICYCLES.

SECTION 25. Any number of persons, not less than six, may in the manner hereinafter prescribed, form a corporation for the purpose of insuring domestic animals against loss or damage by accident, theft or any contingent event whatever, which may be the subject of legal insurance, excepting against loss by fire, and may provide for furnishing the services of a veterinary surgeon to treat any animal upon which such corporation may have assumed a risk, but no such corporation shall be permitted to assume a risk greater in amount than two hundred and fifty dollars on any one animal.

Corporations may insure domestic animals.

SECTION 26. No such domestic live stock insurance corporation shall be incorporated with a guarantee capital of less than twenty-five thousand dollars, paid in in cash and deposited with the state treasurer, in such securities as casualty corporations may invest their capital, which securities shall first be examined and approved by the commissioner of insurance.

\$25,000 capital required.

SECTION 27. Such domestic live stock insurance corporations may incorporate under the laws governing the incorporation of casualty and fidelity insurance corporations, and shall be subject to the laws governing casualty insur-

May incorporate under the laws governing casualty and fidelity companies.

ance corporations so far as the same may be made applicable.

Corporations to insure bicycles may be organized.

SECTION 28. Corporations may also be organized under the provisions of the three preceding sections, for the purpose of insuring bicycles against loss or damage by accident or theft, and may enter into contracts to keep the same in repair, but no such corporation shall be permitted to assume a greater risk than two-thirds of the actual value of each bicycle so insured.

Deposit necessary with the state treasurer, \$2,000.

SECTION 29. Corporations of like kind, as provided for in the four preceding sections, organized under the laws of any other state of the United States, or foreign country, by complying with the provisions of the laws governing casualty corporations, and by depositing with the state treasurer two thousand dollars in securities to be approved by the commissioner of insurance, may be admitted to transact business, under the same laws and restrictions governing like corporations incorporated in this state.

Relating to computing the reserve liability.

SECTION 30. In computing the reserve liability of casualty insurance and suretyship corporations, the commissioner of insurance shall make such calculations as in his judgment are equitable and just to both policy holders and company alike; provided, however, that the reserve liability so determined shall not be less than fifty per cent. of the premiums written in the company's policies.

Repealing section.

SECTION 31. All acts or parts of acts contravening or conflicting with the provisions of this act, are hereby repealed.

SECTION 32. This act shall take effect and be in force from and after its passage and publication.

Approved April 20, 1897.