

No. 121, A.]

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CHAPTER 270.

AN ACT to amend subsections 2, 3 and 4, of section 1955o, and to repeal section 1943 l of the statutes, relating to discrimination and rebating by agents of all insurance companies.

The people of the State of Wisconsin, represented in Senate and Assembly, do enact as follows:

SECTION 1. Subsections 2, 3 and 4, of section 1955o, of the statutes, are amended to read: (Section 1955o) 2. *a.* No * * * insurance company or any agent thereof shall make any contract or agreement as to such contract other than as plainly expressed in the policy issued pursuant thereto. * * *

b. No insurance company, or any officer, agent, director or employe thereof, doing business in this state, shall pay, * * * allow or give or offer to pay, * * * allow or give, nor shall any person receive, any rebate of premium payable on the policy, or any special favor or advantage whatever in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever not specified in the policy.

c. No person shall as agent receive any compensation for effecting insurance upon his own property, life or other risk, unless during the twelve months preceding, as the agent for the company assuming such risk, he shall have effected other insurance therein, the premium on which shall exceed the premium on the insurance so effected on his own risk.

e. Any agent may pay the whole or any part of his commissions to:

(1) An agent, other than a life agent, holding a certificate of authority under section 1976 for writing the kind of insurance for which such commissions are paid.

(2) A nonresident insurance agent, or any insurance company authorized in this state, as to insurance upon property owned by nonresidents or located wholly outside of this state.

(3) A nonresident agent of the fidelity or surety company paying such commissions. Except as aforesaid, no agent shall pay the whole or any part of the commissions upon any policy to any other person.

f. Provided, that any company may make distribution of savings, earning or surplus to any class of policyholders, without having specified such dividends or distribution in the policy, where a schedule is first filed with the commissioner of insurance.

h. Provided, that the furnishing of information, advice or service by any company, officer, agent, director or employe

thereof, with regard to any risk or for the purpose of reducing the loss or liability to loss, shall not be a violation of this section.

3. No * * * insurance company or any agent thereof shall at the time of soliciting insurance or issuing a policy, or at any time in consideration of or in connection with a policy issued or proposed to be issued, make or offer to make any contract or agreement whatever for any deduction from any premium or any addition to any dividend or other benefit whatever, on account of services rendered or to be rendered by the applicant for the policy or any person interested therein, either as an advisor of the company or as a member of an advisory or similar board or body or in any other capacity or manner whatever; nor contract for, sell or offer for sale any stock of such * * * insurance company or any stocks, bonds or other certificates representing any interest or property in any organized company or corporation which shall at the time be under any contract or agreement whatever with such * * * insurance company, or own or control any of the stock thereof, or in any case where any part of the stocks, bonds or certificates of indebtedness of such company or corporation shall be owned or held by such * * * insurance company. No person shall so contract with any such company or agent thereof, or receive any such favor, privilege or advantage whatever, within the meaning of this act.

(Am. 1911, c. 864, s. 37.)

4. *a. Notwithstanding any violation of this section the policy shall be valid, but the insured, having knowingly and wilfully violated any provision of this section, shall be entitled to recover from the company only such proportion of the amount otherwise payable under the policy or contract of insurance as the amount of the premium or premiums which have become payable, according to the terms of the policy, deducting any rebate and the value of any special favor or advantage or consideration or inducement in violation of this section, bears to the amount of such premium or premiums.*

*b. Any company, officer, director, agent, or employe thereof violating this section and any other person knowingly and wilfully * * * violating this section shall be punished by a fine of not less than fifty dollars nor more than three hundred dollars, or by imprisonment in the county jail for a term not exceeding six months, or by both such fine and imprisonment.*

SECTION 2. Section 19431 of the statutes is repealed.

SECTION 3. This act shall take effect and be in force from and after its passage and publication.

Approved June 7, 1911.