

coverable upon any single item, article, or animal to an amount not exceeding the cost thereof, or to an amount specified in the policy. Any company, officer, or agent violating any provision of this section shall be subject to the penalty provided in section 1941—65.

SECTION 3. This act shall take effect upon passage and publication.

Approved May 9, 1913.

No. 269, S.]

[Published May 10, 1913.]

CHAPTER 209.

AN ACT to create section 3219m of the statutes, requiring notice to the commissioner of insurance in actions or proceedings against an insurance company for an injunction or receiver.

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

SECTION 1. There is added to the statutes a new section to read: Section 3219m. The same notice shall be given to the commissioner of insurance in all actions or proceedings against an insurance company or fraternal benefit society for an injunction or receiver as shall be required to be given to the defendant or defendants; provided, that the depositing of a copy of such notice in the mails, sealed and postpaid, addressed to the commissioner of insurance at Madison, Wisconsin, shall be sufficient service of such notice.

Approved May 9, 1913.

No. 342, S.]

[Published May 10, 1913.]

CHAPTER 210.

AN ACT to repeal subdivision (c) of subsection 1, and subsections 2 and 8 of section 1915, and sections 1953, 1966—1, and 1966—32; to create subdivision (c) of subsection 1, and subsection 2 of section 1915, and section 1915m, of the statutes, relating to the admission and licensing of insurance companies and insurers, and providing a penalty.

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

SECTION 1. Subdivision (c) of subsection 1, and subsections 2 and 8 of section 1915, and sections 1953, 1966—1, and 1966—32, of the statutes, are repealed.

SECTION 2. There is added to subsection 1 of section 1915 of the statutes a new subdivision to read: (Section 1915) 1. (c)

A Lloyds association, whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy, may be admitted to transact insurance, other than life insurance, in the state, upon the same terms and conditions as insurance companies of other states of the United States.

(2) No capital stock shall be required. (3) Each alien underwriter shall keep and maintain on deposit at all times with the attorney or attorneys in fact for such Lloyds association licensed in this state, a sum in cash or in securities mentioned in section 1903, equal to three times the maximum amount assured by such underwriter on any single risk, or in lieu thereof the Lloyds association may comply with subsection 4 of this section. (4) No underwriter shall assure any liability or any single risk in this state (excluding reinsurance authorized by the laws of this state) in excess of ten per centum of the net worth of such underwriter. (5) A statement of such limit of single risk and of liability, and of such net worth with the names, addresses and occupations of all individual underwriters shall be filed with the application for admission, and with each annual statement and oftener as required by the commissioner.

SECTION 3. There is added to section 1915 of the statutes a new subsection to read: (Section 1915) 2. (a) Any such company or other insurer shall first file a written instrument, duly executed, declaring that it desires to transact the business of insurance in this state and that it will accept a license therefor according to the laws of this state, which shall cease and terminate in case such insurer shall remove or make application to remove into any court of the United States any action or proceeding commenced in any court of this state upon a claim or cause of action arising out of any business or transaction done therein, or in case it shall violate or fail to comply with any provision of law applicable to such insurer, or in case its capital shall be impaired to the extent of twenty per cent., and shall not be made good within such time as the commissioner of insurance shall require, if such commissioner shall, in either case declare its license revoked therefor.

(b) Such insurer shall also appoint, in writing, the commissioner of insurance and his successors in office to be its true and lawful attorney upon whom all legal process in any action or proceeding against it may be served, and in such writing shall agree that any legal process against it which is served on said attorney shall be of the same legal force and validity as if served on the insurer, and that such authority shall continue in force so long as there is any liability outstanding against the insurer in this state, whether the license of such insurer to do business

in this state shall remain in force or shall be revoked or otherwise terminated. A copy of such writing, duly certified, shall be filed in the office of the commissioner, and copies certified by him shall be deemed sufficient evidence thereof.

(c) Service upon such attorney shall be deemed sufficient service for all purposes upon the principal, and shall be as effectual for all purposes as though made upon a corporation or other insurer existing under the laws of this state. The service of such process shall be made by leaving duplicate copies thereof in the hands or office of the commissioner of insurance and paying to him for the use of the state a fee of two dollars. A certificate by the commissioner of insurance showing such service and attached to the original or third copy of such process presented to him for that purpose shall be sufficient evidence thereof.

(d) A record shall be kept by the commissioner showing the day and hour when any such process has been so served. He shall also immediately forward by mail a copy of such process to the secretary or attorney in fact of the corporation or other insurer upon whom service shall be so made, or in case of a corporation or other insurer from a foreign country such copy shall be forwarded to the resident manager or attorney in fact, if any, in this country.

SECTION 4. There is added to the statutes a new section to read: Section 1915m. 1. Individuals, partnerships, and corporations of this state, hereby designated subscribers, are authorized to exchange reciprocal or inter-insurance contracts with each other, or with the individuals, partnerships, and corporations of other states and countries, providing indemnity among themselves from any loss which may be insured against under other provisions of the laws excepting life insurance.

2. Such contracts may be executed by an attorney, agent, or other representative, herein designated attorney, duly authorized and acting for such subscribers.

3. Such subscribers so contracting among themselves shall, through their attorney, file with the commissioner of insurance a declaration verified by the oath of such attorney, setting forth:

(a) The name or title of the office at which such subscribers propose to exchange such indemnity contracts. Such name or title shall not be so similar to any other name or title previously adopted by a similar organization, or by any insurance corporation or association, as, in the opinion of the commissioner of insurance, is likely to result in confusion or deception.

(b) The kind or kinds of insurance to be effected or exchanged.

(c) A copy of the form of policy, contract or agreement under or by which such insurance is to be effected or exchanged.

(d) A copy of the form of power of attorney or other authority of such attorney under which such insurance is to be effected or exchanged.

(e) The location of the office or offices from which such contracts or agreements are to be issued.

(f) That applications have been made for indemnity upon at least one hundred separate risks aggregating not less than one and one-half million dollars (\$1,500,000), as represented by executed contracts or bona fide applications, to become effective concurrently, or, in case of liability or compensation insurance, covering a total pay roll of not less than one and one-half million dollars (\$1,500,000).

(g) That there is on deposit with such attorney and available for the payment of losses a sum of not less than twenty-five thousand dollars (\$25,000).

4. Concurrently with the filing of the declaration provided for by the terms of subsection 3 of this section, the attorney shall file with the commissioner of insurance an instrument in writing executed by him for said subscribers, conditioned that upon the issuance of certificate of authority provided for in subsection 10 of this section, service of process may be had upon the commissioner of insurance in all suits in this state arising out of such policies, contracts, or agreements, which service shall be valid and binding upon all subscribers exchanging at any time reciprocal or inter-insurance contracts through such attorney. Three copies of such process shall be served and the commissioner of insurance shall file one copy, forward one copy to said attorney, and return one copy with his admission of service.

5. There shall be filed with the commissioner of insurance, by such attorney, a statement, under the oath of such attorney, showing the maximum amount of indemnity upon any single risk, and such attorney shall, whenever and as often as the same shall be required, file with the commissioner of insurance a statement verified by his oath to the effect that he has examined the commercial rating of such subscribers as shown by the reference book of a commercial agency having at least one hundred thousand subscribers, and that from such examination, or from other information in his possession, it appears that no subscriber has assumed on any single risk an amount greater than ten per cent of the net worth of such subscriber.

6. There shall at all times be maintained as a reserve a sum in cash or convertible securities equal to fifty per cent of the net annual deposits collected and credited to the accounts of the subscribers on policies having one year or less to run, and pro

rata on those for longer periods. Net annual deposits shall be construed to mean the advance payments of subscribers after deducting therefrom the amounts specifically provided in the subscribers' agreements for expenses. Said sum shall at no time be less than twenty-five thousand dollars (\$25,000), and if at any time fifty per cent of the deposits so collected and credited shall not equal that amount, then the subscribers, or their attorney for them, shall make up any deficiency.

7. Such attorney shall, within the time limited for filing the annual statement by insurance companies transacting the same kind of business, make a report to the commissioner of insurance for each calendar year showing the financial condition of affairs at the office where such contracts are issued, and shall furnish such additional information and reports as may be required; provided, however, that such attorney shall not be required to furnish the names and addresses of any subscribers nor the loss ratio. The business affairs and assets of such organizations shall be subject to examination by the commissioner of insurance.

8. Any corporation now or hereafter organized under the laws of this state shall, in addition to the rights, powers, and franchises specified in its articles of incorporation, have full power and authority to exchange insurance contracts of the kind and character herein mentioned. The right to exchange such contracts is hereby declared to be incidental to the purposes for which such corporations are organized and as much granted as the rights and powers expressly conferred.

9. Any attorney who shall, except for the purpose of applying for a certificate of authority as herein provided, exchange any contracts of indemnity of the kind and character specified in this section, or directly or indirectly solicit or negotiate any applications for same without first complying with the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be subject to a fine of not less than one hundred dollars (\$100), nor more than one thousand dollars (\$1,000).

10. Each attorney, by or through whom are issued any policies of or contracts for indemnity of the character referred to in this section, shall procure from the commissioner of insurance annually a certificate of authority stating that all the requirements of this section have been complied with, and upon such compliance and the payment of the fees required by this section, the commissioner of insurance shall issue such certificate. In case of a breach of any of the conditions imposed by the provisions of this section, the commissioner of insurance may revoke the certificate of authority issued hereunder.

11. In lieu of all other taxes, licenses, or fees whatever, state or local, such attorney shall pay annually on account of the transaction of such business in this state, a filing fee of twenty-five dollars (\$25), and a license fee of two per cent (2 per cent) upon the gross premiums or deposits during the preceding calendar year, deducting all amounts returned to subscribers or credited to their accounts other than for losses, except that the fee shall be at the rate of two and three-eighths per cent ($2\frac{3}{8}$ per cent) upon the same basis for the insurance mentioned in subsection 1 of section 1897, and that from such latter fees there shall be set apart the fire department dues and the fire marshal tax mentioned in sections 1926 and 1946n respectively.

12. Except as herein provided, no law of this state shall apply to the exchange of such indemnity contracts.

SECTION 5. This act shall take effect upon passage and publication.

Approved May 9, 1913.

No. 407, S.]

[Published May 10, 1913.

CHAPTER 211.

AN ACT to amend subdivision (a) of section 1797—2 of the statutes, relating to district telegraph messenger companies.

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

SECTION 1. Subdivision (a) of section 1797—2 of the statutes is amended to read: (Section 1797—2). (a) The term "railroad" whenever used herein shall also mean and embrace express companies, * * * telegraph companies, and *district telegraph messenger companies*, and all duties required of and penalties imposed upon any railroad or any officer or agent thereof, shall, in so far as the same are applicable, be required of and imposed upon express companies, * * * telegraph companies, and *district telegraph messenger companies* and their officers and agents, and the commission shall have the power of supervision and control of express companies, * * * telegraph companies, and *district telegraph messenger companies* to the same extent as railroads.

SECTION 2. This act shall take effect upon passage and publication.

Approved May 9, 1913.