

No. 270, S.]

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CHAPTER 553.

AN ACT to repeal section 1903 of the statutes, and to create section 1903 of the statutes, relating to investments of insurance companies.

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

SECTION 1. Section 1903 of the statutes is repealed.

SECTION 2. There is added to the statutes a new section to read: Section 1903. 1. Except as otherwise provided by law, a domestic insurance corporation may invest its assets as follows:

(a) In the lawfully authorized bonds or other evidences of indebtedness of the United States or of any state of the United States, or of the Dominion of Canada or of any province thereof.

(b) In the lawfully authorized bonds or other evidences of indebtedness of any county, city, town, village, school district or other municipal district within the United States or the Dominion of Canada, which shall be a direct obligation of the county, city, town, village or district issuing the same; provided, that any such municipal district other than a county, city, town, village or school district shall have a population according to the last national or state census preceding the date of such investment of not less than one hundred thousand.

(c) In loans upon improved and unincumbered real property in any state of the United States, and upon leasehold estates in improved real property for a term of ninety-nine years or more where twenty-five years or more of the term is unexpired and where unincumbered except by rentals accruing therefrom to the owner of the fee, and where the mortgagee is entitled to be subrogated to all the rights under the leasehold; provided, that the fair market value of such real property or such leasehold estate at the time of the loan shall be at least fifty per centum more than the sum loaned thereon, exclusive of buildings unless such buildings are kept insured to an amount which, together with one-half the value of the land, shall equal or exceed the loan, and the policy or policies of insurance thereon be assigned to and held by said corporation as collateral to such loan.

(d) In the first mortgage bonds of any railroad or other public service corporation of any state or territory of the United States, or of the District of Columbia, or of any province of the Dominion of Canada.

(e) In the stocks and bonds and other evidences of indebtedness of any solvent dividend paying corporation of any state or

territory of the United States, of the District of Columbia, or of any province of the Dominion of Canada, in which said insurance corporation shall be doing business at the time of such investment, excepting stock in its own corporation or in any other insurance corporation. No such investment shall be made in any unincorporated business or enterprise, nor in the stocks, bonds or other evidences of indebtedness of any corporation, the owners or holders of which may, in any event, be or become liable on account thereof to any assessment except for taxes or laborers' liens, nor unless all the outstanding stock of such corporation has for five years next preceding the date of such investment regularly paid dividends of at least four per centum per annum and the paid-up capital stock equals at least one-third its funded indebtedness, on which the interest charges have been regularly paid for such period.

(f) In loans upon collateral security of any of the foregoing securities; provided, that the market value of such securities shall not, during the continuance of such loan, be less than the indebtedness thereon.

(g) In such real property as shall be necessary for the convenient transaction of its business, subject to other provisions of law.

(h) Every such domestic corporation doing business in any foreign country, may invest the funds required to meet its obligations incurred in such foreign country in conformity to the laws thereof in the kind of securities of such foreign country in which such corporation is authorized to invest in this state.

2. Any such domestic insurance corporation shall invest and keep invested an amount at least equal to its paid-up capital stock in any of the securities mentioned in paragraphs (a), (b) and (d) of subsection 1 of this section, or in loans upon real estate located within this state.

3. No domestic insurance corporation, including any domestic insurer, shall make any investment not authorized by law.

4. No such corporation shall invest in, acquire or hold, directly or indirectly, more than ten per cent of the capital stock of any corporation, nor shall more than ten per cent of its admitted assets be invested in the stock or securities of any one corporation.

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

Approved June 24, 1913.