

*exclusive of surplus notes, equal to the sum of the capital and surplus required of a stock company to begin to transact the same kind of business \* \* \* and while such surplus is so maintained as a distinct guarantee fund and so shown in its annual statement, may issue a non-assessable policy, provided, \* \* \* that \* \* \* such company shall cease the issue of such policies when \* \* \* such \* \* \* guarantee fund falls below \* \* \* such sum, and during such period of impairment shall cease to make apportionment and declare refunds of overpayments or savings resulting from premium contributions until such guarantee fund deficiency has been made good, except where the company at a regular or called meeting of its policyholders has voted to discontinue the issuance of non-assessable policies. The conditions of such non-assessability shall be plainly stated in the policies so issued. No \* \* \* company shall issue a non-assessable policy until its policy form \* \* \* is submitted to and approved by the commissioner of insurance.*

SECTION 2. A new section is added to the statutes to read: 201.135 Any mutual company may return on all policies, whether continued in force or not, savings or dividends in such amounts and such classifications as the board of directors shall determine is fair and reasonable, provided such refund of savings or dividends shall in no case be made contingent upon the continuance of premium payments or maintenance of the policy.

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

Approved June 12, 1925.

No. 347, S.]

[Published June 16, 1925.

## CHAPTER 326.

AN ACT to repeal and recreate sections 206.04 to 206.10 of the statutes, relating to elections in mutual life insurance companies.

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

SECTION 1. Sections 206.04 to 206.10 of the statutes are repealed.

SECTION 2. Seven new sections are added to the statutes to be numbered and to read: 206.04 (1) At every general election of directors or trustees in any domestic mutual life insurance company, whether incorporated by special act or general law and anything to the contrary in its charter, certificate, articles of incorporation, or by-laws, notwithstanding, every policyholder whose insurance shall be in force, and shall have been in force for at least one year prior thereto, shall be entitled to one vote without other qualifications. Every policyholder entitled to vote shall have the same number of votes irrespective of the number of policies, or the amount of insurance held by him and shall have one vote for each director or trustee to be elected, and in case of a contested election, but not otherwise, may cast all such votes for one candidate or distribute them among the number as he may elect. Unless a policy shall have been assigned more than six months prior to the election by an assignment absolute on its face to an assignee other than the company which shall have issued the policy, the person upon whose application the policy shall have been issued, and if the application be signed by more than one person, each person whose life is insured shall be deemed to be a policyholder entitled to vote as aforesaid. In case the policy shall have been assigned as aforesaid, the assignee shall be deemed to be a policyholder entitled to vote, provided his signature, either attested by the assignor or acknowledged in like manner as in case of a deed to be recorded in this state, shall have been filed at the home office of the company. Any policyholder entitled to vote at any election shall be qualified to fill any office to be voted for at any such election. Such a general election shall be held at intervals of not more than two years. At each such election not less than one-fourth of the total number of directors or trustees provided for in the charter or articles shall be elected. No appointment or selection of a director or trustee to fill a vacancy other than when made by general election shall extend beyond the next general election.

(2) All elections of the company shall be held at its home office and the polls shall be open from ten o'clock in the forenoon until four o'clock in the afternoon of the day of the election, at which time it shall be closed and after which time no ballot shall be received. Policyholders may vote in person or may transmit ballots to the company by messenger or by mail but no voting by

proxy shall be allowed. Notice of such election shall be published once in each week for four successive weeks immediately preceding the date fixed therefor in at least two newspapers of general circulation in this state, one of which is published at the city of Madison, and one at the place where the home office of the company is located.

206.05 (1) At least three months prior to the date of any general election of directors or trustees in any such company, the directors or trustees thereof shall appoint three qualified voters, who are not directors or trustees, as inspectors of election, who shall be paid by the company, and such directors or trustees shall suggest the name of a person as candidate for every vacancy to be filled at the ensuing election, and shall file with the commissioner of insurance a certificate thereof, giving the names, occupations and addresses of the inspectors so appointed, and the persons whose names have been so suggested.

(2) Any officer, director, trustee, agent or employe of such company who shall directly or indirectly nominate or assist or encourage the nomination of any other candidate or candidates for the office of director or trustee other than those on the administration ticket, or who shall use or expend any of the property or funds of the company in promoting the election of any nominees, candidate or person, except as directed or authorized in this section, shall be guilty of a misdemeanor.

(3) Any one hundred or more qualified voters of such company may also suggest the name of a person as a candidate for one or more of the vacancies to be filled at any such ensuing election, by filing with the commissioner of insurance and with the secretary of the company, at its home office not more than ninety nor less than sixty days prior to such election, a certificate signed and acknowledged by them, giving the names, occupations, and addresses of the persons so suggested as candidates, together with a written statement signed by said candidates that they will accept such office if elected.

(4) In case of the death or resignation or incapacity of any person so suggested as a candidate, a majority of the board of directors, or trustees, or a majority of the persons suggesting the name of such nominee, may suggest the name of another person as a candidate in his place, by filing prior to the day set for the election a like certificate with that required for the original



less than fifteen or more than fifty days prior to the election, cause to be mailed in a sealed and postpaid envelope, to each policyholder entitled to vote at his last known post-office address, a suitable, gummed return envelope addressed to the home office of the company and marked "Ballot for Directors (or Trustees)" together with the ballot which shall be substantially in the following form:

Ballot for election of directors or trustees.

For (name of company home office, post-office address).

To succeed the directors or trustees whose terms expire as follows:

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Instructions to Policyholders.

The Policyholder is entitled to the same number of votes irrespective of the number of policies and amount of insurance held by him and is entitled to one vote for each of the directors or trustees to be elected, and, except in an election where there is no contest, may cast all such votes for one candidate or distribute them among the number as he may elect. Votes shall be indicated by a numeral placed after the name of the person voted for, thus "John Doe, farmer, Madison, Wisconsin, for a full term (1)". No fractional vote shall be recognized. On any ballot recording a greater number than authorized only the first..... votes will be recognized. The ballot shall specify the number of at least one policy held by the policyholder, shall be signed by him, and his signature attested by a subscribing witness and shall be enclosed in a sealed and postpaid envelope marked on the address side, "Ballots for Directors (or Trustees)", addressed to said company at its home office without any mark or designation to indicate the identity of the voter mailing the same, and mailed by him in person so as to be delivered before four P. M..... 19.....

The ballot prepared in like manner, without being postpaid, may between ten A. M. and four P. M. in said day be voted in person by the policyholder at the home office of the company.

Directors' Nominations.		Independent Nominations.	
	Vote here		Vote here
John Doe, farmer, Madison, Wis., for a full term .....		Richard Doe, banker, Milwaukee, Wis., for a full term .....	
William Smith, merchant, Chicago, Ill., for unexpired term of..... years .....		John Doe, lawyer, New York, N. Y., for unexpired term of..... years of .....	

Attested .....

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P. O. Address.....

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Signed by.....

P. O. Address.....

Policy No.....

If any question is to be submitted to the policyholders at such election a ballot for voting thereon shall also be enclosed, but no other papers or written or printed matter shall be enclosed with such ballot or ballots and envelope. Specimens of the ballot or ballots, the ballot return envelope and the sealed enclosing envelope shall be filed with the commissioner of insurance before being so mailed.

206.08 (1) All envelopes received at the home office of the company before the polls are closed on the day of election marked substantially as "ballot for directors (or trustees)" shall be delivered to the inspectors of election.

(2) Any person concealing or withholding, or participating in the concealment or withholding from the inspectors or opening or being privy to the opening of any such envelope containing such ballot, except as authorized by law, shall be guilty of a misdemeanor.

(3) All ballots voted and received by mail or otherwise, or delivered by the policyholder in person at the office of the company, shall be received by the inspectors subject to verification and ascertainment of the validity thereof, and of the qualification of the voter; and, immediately upon the closing of the polls the inspectors shall proceed to open the envelopes containing such ballots and to the examination thereof, and shall canvass all the votes lawfully cast. The canvass shall proceed from day to day and the inspectors shall verify the result to the company as soon as it is completed. Any nominee at such election may be present

during the casting and canvass of the vote. All ballots and envelopes received by said inspectors shall immediately upon completion of the canvass be placed in sealed packages and preserved by them until four months from the date of the election, subject to the order of any court having jurisdiction of any proceeding relating thereto.

206.09 The inspectors shall sign and file with the secretary of the company and commissioner of insurance a certificate of the result of the election, stating the names of all persons for whom votes have been cast for a full term and the number cast for each, and also the names of the persons for whom votes have been cast for each unexpired term and the number of votes cast for each such person.

206.10 The person or persons receiving the highest number of votes for a full term to the number of directors or trustees to be chosen for a full term at such election shall be elected for a full term and the person receiving the highest number of votes for each unexpired term shall be elected for such unexpired term. In case two or more persons shall receive the same number of votes, in any contested election, the inspectors shall decide by lot which of said persons shall be deemed to have received the highest number of votes.

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

Approved June 12, 1925.

No. 544, A.]

[Published June 16, 1925.

## CHAPTER 327.

AN ACT to amend subsection (18) of section 42.55 of the statutes, relating to the probation period in the teachers' retirement system in cities of the first class.

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

SECTION 1. Subsection (18) of section 42.55 of the statutes is amended to read: (42.55) (18) All elections or appointments of teachers in such cities shall be on probation, and after successful probation for \* \* \* *three* years, the election or