

No. 263, S.]

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CHAPTER 174

AN ACT to amend 201.05 (2m) and 201.07 of the statutes, relating to non-assessable policies.

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

SECTION 1. 201.05 (2m) of the statutes is amended to read:

201.05 (2m) Any insurer licensed to transact by direct insurance any business mentioned in s. 201.04 (4) to (11) and (13) to (18) may be licensed to transact by direct insurance, retrocession or reinsurance any business mentioned in s. 201.04 (1), (2) or (12). Any insurer licensed to transact by direct insurance any business mentioned in s. 201.04 (1), (2) or (12) may be licensed to transact by direct insurance, retrocession or reinsurance any business mentioned in s. 201.04 (4) to (11) and (13) to (18). Every stock company licensed to transact business by direct insurance, retrocession or reinsurance, shall maintain capital and surplus for each kind of insurance written under s. 201.04, whether by direct insurance, retrocession or reinsurance, as required by s. 201.11. Subject to the requirements of s. 204.041 as to insurance mentioned in s. 201.04 (7), every mutual company or reciprocal authorized to transact insurance, whether by direct insurance, retrocession or reinsurance, of any kind specified in s. 201.04 (1) or (2) or (4) to (18) may, by and with the approval of the commissioner of insurance, write any and all other kinds of insurance specified in s. 201.04 (1) or (2) and (4) to (18) if it shall maintain a surplus of at least \$100,000, provided that in no case shall any surplus in addition to that required for a kind or kinds of insurance already being written, be required to qualify to write any insurance mentioned in s. 201.04 (11), (12), (14), (17) and (18). Every mutual company or reciprocal authorized to transact any or all of the kinds of insurance specified in s. 201.04 (1) or (2) or (4) to (18) on a nonassessable plan shall maintain a surplus by reason of the first kind of insurance so written of at least \$125,000 * * * and by reason of each additional kind so written

of at least \$62,500 * * * except that in the case of insurance mentioned in s. 201.04 (7) the surplus shall comply with the requirements of s. 204.041 and provided further that no additional surplus shall be required by reason of any kind of insurance for which no additional capital is required of a stock company under * * * s. 201.11. Subject to the provisions hereof, s. 201.07 shall continue to apply.

SECTION 2. 201.07 of the statutes is amended to read :

201.07 Any domestic mutual insurance company transacting the business of fire, marine, or casualty insurance, having accumulated a net surplus * * * equal to the sum of 50 per cent 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 nonassessable 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 nonassessable policies. The conditions of such nonassessability shall be plainly stated in the policies so issued. No company shall issue a nonassessable policy until its policy form is submitted to and approved by the commissioner of insurance.

Approved June 11, 1957.
