

Appropriating  
section.

SECTION 4. There is hereby appropriated out of the general fund a sum of money sufficient to carry out the provisions of this act, and said fund shall be reimbursed from the sale of any lands acquired through the provisions of this act.

SECTION 5. All acts or parts of acts in any manner conflicting with any of the provisions of this act are hereby repealed.

SECTION 6. This act shall take effect and be in force from and after its passage and publication.

Approved April 26, 1899.

No. 124, S.]

[Published April 29, 1899.

## CHAPTER 270.

AN ACT to provide for the incorporation of life insurance companies, or associations, and the transaction of life insurance upon the stipulated premium plan.

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

Who may in-  
corporate,  
capital stock,  
etc.

SECTION 1. Incorporation.—Nine or more persons, residents of the state of Wisconsin, may form a corporation for the purpose of making insurance upon the lives or health of individuals, and every insurance appertaining thereto, or connected therewith, on the stipulated premium plan as defined and regulated in this act, by complying with section 1897 of the Wisconsin statutes for the year 1898, and any such corporation, company or association may incorporate with a capital stock of not less than fifty thousand dol-

lars, or upon the mutual plan, as shall be provided in the articles of incorporation.

SECTION 2. Completion of Organization, Deposit and Fees.—No such corporation, company or association shall commence the business of life insurance, until, if a stock company or association, the capital stock shall have been actually subscribed and paid up in cash, or if a mutual company or association, at least two hundred persons eligible under the proposed plan of the organization shall have been subscribed in writing to be insured therein in the aggregate amount of at least five hundred thousand dollars, shall have been examined and recommended by a reputable physician, and shall have each paid or become obligated to pay the amount of one annual stipulated net premium for their age at entry on the amount of insurance severally subscribed for, and which shall be held in trust for the benefit of the members of such corporation or their beneficiaries; nor until the commissioner of insurance shall have certified that such corporation, company or association has complied with the provisions of this act and is authorized to transact the business of life insurance. Provided, however, that every such corporation, company or association incorporating or re-incorporating under the provisions of this act shall deposit with the state treasurer to be held in trust for the benefit and protection of and as security for such policy holders of such corporation, company or association their legal representatives and beneficiaries in such securities as are required by law to be deposited by insurance companies at least the sum of twenty-five thousand dollars within one year after date of such incorporation or re-incorporation, and five thousand dollars annually thereafter until the sum of one hundred thousand dollars is deposited and the state treasurer shall give receipts for the same; and every such corporation, company or association depositing such securities may receive the income thereof and exchange the same from time to time and

Insurance commissioner to certify that company has complied with law.

Deposits with state treasurer required.

withdraw the same after all its debts and liabilities of every kind are paid and extinguished, for which such deposit is made to secure. Every such corporation, company, or association shall pay the commissioner of insurance for its annual license twenty-five dollars, for each agent's certificate of authority one dollar and for making an official examination five dollars per day and necessary expenses.

Use of term stipulated premium.

**SECTION 3. Corporations Subject to This Act.**—Any corporation, company or association which issues any policy, certificate or other evidence of interest to, or makes any promise or agreement with its members whereby any money or other benefit is to be paid to a member, or upon his decease to his legal representatives or assigns or beneficiaries designated by him, which money or benefit is derived from stipulated premiums collected from its members, or members of a class therein, or from interest or accumulations and wherein the money or other benefit so realized is applied to or accumulated for the use and purpose of such corporation, company or association as herein specified, and the expense of its management and prosecution of its business, shall be deemed to be engaged in the business of life insurance upon the stipulated premium plan and shall be subject only to the provisions of this act and of sections 1955c, 1955i, 1955o, of the Wisconsin statutes for the year 1898. It shall be unlawful for any corporation, company or association not having complied with the provisions of this act, to use the term stipulated premium in its applications or contracts or to print or write the same in its policies or literature.

Vote of majority of directors necessary to qualify under act.

**SECTION 4. Existing Companies, Associations or Societies Qualifying Under This Act.**—Any domestic corporation, company or association existing or doing business under the provisions of law at the time this act takes effect, may, by a vote of the majority of its board of directors or trustees, and upon obtaining the consent of the commissioner of insurance thereto in writing, accept the provisions of this act, and amend its

articles of incorporation to conform with the same, so as to cover and enjoy any and all the provisions and privileges of this act, which might have been included and enjoyed if it had been originally incorporated hereunder; and may change its corporate name, providing the name of any existing corporation shall not be appropriated or used; and it shall file amended articles of incorporation and the consent required by this section, in the office of the commissioner of insurance, and thereafter perpetually enjoy the same and be deemed to have incorporated under this act. The re-incorporating or qualifying of any existing domestic or foreign corporation under the provisions of this act shall in no way annul, modify or change any existing contracts or liabilities of such existing corporation, and any and all such existing contracts and liabilities shall continue in full force and effect, the same as though such corporation had not re-incorporated or qualified under this act. Neither shall the re-incorporating or qualifying of any such corporations under the provisions of this act in any way prejudice, impede or impair any pending action or proceeding or any rights previously accrued. No corporation, company or association qualifying hereunder shall issue any policy in this state except in compliance with the provisions of this act.

Existing contracts not affected.

SECTION 5. Minimum Premiums.—Every such corporation, company or association doing business under the provisions of this act shall charge upon its ordinary life policies at least a net premium calculated upon the American experience table of mortality, with interest at four and one-half per centum per annum, equal to that of a yearly term insurance at the age of entry, and increased at least twenty-five per centum, and upon its term policies the net premium at the age of entry according to the term selected and the American experience table of mortality, with interest at four and one-half per centum per annum, and

Premiums based on American mortality table, at 4½ per cent.

may be paid annually, semi-annually, quarterly, bi-monthly or monthly in advance.

Reserve of at least net premium required.

SECTION 6. Reserve Fund.—Every such corporation, company or association, shall, after the first policy year, accumulate and maintain upon its ordinary life policies issued under the provisions of this act a reserve of not less than the net premium, according to the premium payment of each policy, which net premium shall equal the amount called for by the American experience table of mortality at the attained age of the insured, computed as specified in section 5 of this act, and upon its term policies hereafter issued the reserve according to the American experience table of mortality and interest at four and one-half per centum per annum. If the amount of such reserve is at any time less than that required by this section or by the terms and conditions of such policies, the impairment shall be made up and restored within six months thereafter; otherwise the commissioner of insurance may require the officers of such corporation to notify its policy holders to pay, within thirty days after the mailing of such notice, an extra premium, apportioned pro rata among them according to the amount of their insurance, sufficient to make good such impairment and at least equal to the maximum policy issued. If any member fails to pay such extra premium within the time named the policy shall be commuted proportionately and the policy as commuted shall be the maximum amount for which the corporation shall be liable. Said thirty days' notice shall clearly state the pro rata amount of the impairment due from the insured, and shall contain the further statement that in the event of failure to pay the same within thirty days after the mailing of such notice, the policy will be commuted as aforesaid.

Impairment of reserve to be restored in six months.

Terms of, and how carried.

SECTION 7. Limited Payment Policies.—Any corporation, company or association doing business under this act may issue limited payment policies provided such policies hereafter issued state the portion of each of the premiums to be held by and charged against such corporation

during the term of years in which the premiums are to be paid, which shall in each year after the first equal the annual reserve portion of the net premium according to the American experience table of mortality with interest at four and one-half per centum per annum, and which portion at the expiration of such term of years together with the interest accredited thereto shall not then be less than the single net premium at the age attained according to the American experience table of mortality with interest at four and one-half per centum per annum and shall be carried in a separate fund to thereafter maintain such policies; and if any such corporation doing business under this act shall not state in its limited payment policies the portion of each of the premiums to be held by it for the purpose of sustaining the insurance after the term of years during which the premiums are to be paid, or if any such corporation shall issue any form of investment policies, then such limited payment or other form of investment policies hereafter issued shall be valued on the basis of the American experience table of mortality and interest at four and one-half per centum per annum.

**SECTION 8. Surrender Values.**—Any corporation, company or association authorized to do business hereunder may provide for surrender values in cash, paid up or extended insurance, provided the amount of reserve computed and to be set apart for such values, is plainly stated in the policy and provided further that such values shall not be in excess of the portion of the premium with interest accretions thereto collected for such purpose.

Reserved for, to be plainly stated in policy.

**SECTION 9. Distribution of Surplus.**—If the reserve fund exceeds the amount of one hundred thousand dollars after providing for the attained age of all policy holders, then the surplus may be apportioned by the corporation as a dividend to members in reduction of premiums, in the purchase of paid up or extended insurance or may be paid in cash; or such dividend or dividends

By dividend to policy holders.

may be paid to the beneficiary of a deceased member in addition to the face of the policy.

Policy to specify maximum insurance upon each contingency. Failure to pay.

**SECTION 10.** Payment of Maximum Insurance.—Every policy hereafter issued by any corporation, company or association doing business under this act and promising any payment to be made upon a contingency provided for in this act, shall specify the sum of money which it promises to pay upon each contingency insured against, and the number of days after satisfactory proof of the happening of same on which such payment shall be made. Upon the occurrence of such contingency, unless the contract shall have been avoided by fraud or breach of its conditions, the corporation shall be obligated to the beneficiaries or insured for such payment at the time and to the maximum amount due under the policy. If the commissioner of insurance shall be satisfied upon investigation, that any such corporation has refused or failed, after proper demands, to make such payment for sixty days after final judgment has been obtained upon such claim, he shall notify the corporation to issue no new policies until such indebtedness is fully paid and no officer or agent of the corporation shall make, sign or issue any policies of insurance while such notice is in force.

How same may transact business in this state.

**SECTION 11.** Foreign Corporations.—No corporation, company, association or society organized under the laws of any other state or territory of the United States or the district of Columbia or foreign country, shall transact business under the provisions of this act until it has received from the commissioner of insurance a certificate of authority to do business in this state, a duplicate of which shall be filed in his office. The commissioner shall annually issue to such foreign corporation, company, association or society renewal certificates of authority to continue business, if it shall have fully complied with the provisions of this act, and if the commissioner shall be of the opinion that any such corporation, company, association or society is not

entitled to a renewal of a certificate of authority he shall cite the same to appear, giving reasons therefor, and show cause why the certificate of authority should not be renewed; and unless the certificate of authority shall be renewed within thirty days after such hearing, such foreign corporation, company, association or society shall cease to do business in this state, provided the decision of the commissioner of insurance shall be subject to review by any court of competent jurisdiction. When any state, territory or foreign country shall impose any obligations upon any such corporation of this state, or their agents, transacting business in such other state, territory or foreign country, the like obligations are hereby imposed upon similar corporations of such other state, territory or foreign country and their agents or representatives transacting business in this state and such corporation, company, association or society of such other state, territory or foreign country, and its agents and representatives, shall pay all licenses, fees or penalties to and make deposits with the commissioner of insurance imposed by the laws of such other state, territory or foreign country upon any corporation of this state doing business therein; and in case of failure to pay the same, the commissioner shall refuse the certificate of authority herein provided for or cancel such certificate if one shall have been previously issued. No foreign corporation, company, association or society shall be authorized to transact any business authorized by this act within this state, unless it furnishes evidence satisfactory to the commissioner of insurance that it has a reserve fund equal in amount to that required by this act, and that the same is held for the benefit of policy holders only, and invested as required by the insurance laws of its home state. Neither shall any foreign corporation, company, association or society be authorized to do business in this state unless it collects in advance for the benefit of its policy holders a net premium equal to at least that provided for by the terms of this act.

Duties of insurance commissioner.

Laws of other states when applicable in Wisconsin.



Policy holders  
not liable for  
losses.

**SECTION 12. No Personal Liability.**—No person shall incur any personal liability for the losses or liabilities of any corporation, or association organized or doing business under this act by reason of being a policy holder in such corporation.

Approval of  
majority of  
directors  
necessary to  
re-insurance.

**SECTION 13. Consolidation and Re-Insurance.**—No stipulated premium life insurance company or association organized under this act shall consolidate with another company or transfer or re-insure its risks with any other company or association or assume or re-instate the whole or any part of the risks of any other company or association, except with the approval of a majority of the directors or stockholders of any such corporation, provided, however, that any such company or association may re-insure a fractional part of any single risk, but no such insurance shall in any manner release the company or association from its obligation under its contract with the policy holder. All such re-insurance shall be reported annually to the commissioner of insurance.

Not exceeding  
\$5,000.

**SECTION 14. Proceeds Not Liable for Debts.**—The money or other benefit to be paid, provided or rendered by any corporation authorized to do business under this act, not exceeding five thousand dollars, shall not be liable to attachment or other process and shall not be seized, taken, appropriated or applied by any legal or equitable process, nor operation of law, to pay any debt or liability of a policy or certificate holder, or of any beneficiary named in a policy or certificate.

Report to be  
made to in-  
surance com-  
missioner.

**SECTION 15. Annual Report.**—The annual business of each and every corporation, company or association transacting business under the provisions of this act shall close on the thirty-first day of December of each year and it shall within sixty days thereafter prepare and file in the office of the commissioner of insurance, a detailed statement, made upon blanks furnished by the insurance department, and verified under oath by the president and secretary of the corporation, company or association giving the infor-

mation in detail required by the insurance department so as to show its true financial condition.

SECTION 16. This act shall not relate or apply to fraternal beneficiary societies, orders or associations doing business in this state on the lodge system, unless any such society, order or association shall qualify hereunder. Fraternal societies not affected.

SECTION 17. This act shall take effect and be in force from and after its passage and publication.

Approved April 26, 1899.

No. 344, S.]

[Published May 1, 1899.

## CHAPTER 271.

AN ACT to provide for compensation to counties maintaining a hospital for the care and maintenance of acute and chronic insane persons and to provide payment for past maintenance of insane persons therein.

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

SECTION 1. As early as practicable in the month of July 1899, and in the months of January and July in every succeeding year, the secretary of state shall compute the aggregate amount which any county, maintaining a county hospital for the insane shall be entitled to receive from the state on the basis of two dollars and seventy-five cents per week for each acute insane and one dollar and fifty cents per week for each chronic insane person, to be certified by the trustees of said hospital to have been maintained by such county at public cost during the six months immediately preceding the first days of January Rate of compensation to be received from state. How paid.