

suant to such provisions as may be made in the by-laws, any member may be permitted to transfer from a lower to a higher rate class, and to have transferred with him to such other class such part of any accumulated funds held for such member as provided in the by-laws. No such classification shall be rescinded or discontinued. The foregoing conditions and restrictions shall not apply to classes heretofore established, nor to accident insurance transacted by a fraternal benefit society.

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

Approved June 23, 1915.

No. 266, S.]

[Published June 26, 1915.

## CHAPTER 312.

AN ACT to repeal subdivision (6) of section 1946x, and to amend subdivisions (9), (11), (12) and (16) of section 1946x, subsection 1 of section 1948m, section 1950m, section 1950n, subsections 1 and 3 of sections 1952c, section 1952d, section 1952f, section 1952g, section 1952i and section 1953n of the statutes, relating to life insurance.

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

SECTION 1. Subdivision (6) of section 1946x is repealed.

SECTION 2. Subdivisions (9), (11), (12), and (16) of section 1946x of the statutes are amended respectively to read: Section 1946x. (9) "Mortality charge," is the provision \* \* \* at the beginning of the policy year for the mortality on account of such policy year, according to \* \* \* the table of mortality adopted and the rate of interest assumed.

(11) "Policy anniversary," is any anniversary of the date of the policy, *unless otherwise specified in the policy.*

(12) "Policy year," is the year beginning with the date of the policy or any anniversary thereof, *unless otherwise specified in the policy.*

(16) The "terminal reserve," is the reserve at the end of the policy year, and is the sum sufficient, with the *net* premiums coming due, to provide for the future \* \* \* mortality charges, and mature the policy according to its terms, all computed upon \* \* \* the table of mortality adopted and the rate of interest assumed.

SECTION 3. Subsection 1 of section 1948m of the statutes is amended to read: Section 1948m. 1. Specifying the table of

mortality and rate of interest and method upon which the reserve on such policy is to be computed, *provided that the method may be omitted if the policy be issued on the net level premium basis, and when no method is specified the policy shall be presumed to be issued on the net level premium basis.*

SECTION 4. Section 1950m of the statutes is amended to read: Section 1950m. 1. After the year 1907 no foreign life insurance company shall issue or deliver any policy in this state, and no domestic life insurance company shall issue or deliver any policy, wherein the present value of the premiums stipulated to be paid shall exceed the sum of:

(a) The net single premium which will mature the policy according to its terms (exclusive of the provisions mentioned in subdivision (b) ), such present value and net single premium to be computed on the basis of the table of mortality adopted and the rate of interest assumed; and

(b) An amount as a provision for expenses and contingencies equal to one-third of the net single premium on an ordinary life policy insuring the same sum and issued at the same age, computed according to the American Experience table of mortality with interest at three per centum per annum.

2. The amount provided for expenses and contingencies, referred to in section 1950n as the "expense charge," for any policy year \* \* \* shall not exceed:

(1) \* \* \* *In the first year the sum of (a) the maximum level provision for expenses and contingencies for such year permitted for the policy in question under subdivision (b) of subsection 1 of the section, not, however, to exceed the actual level loading contained in the premium on such policy, (b) the excess, if any, of the first year's premium over the largest subsequent annual premium on the policy, and (c) the net level premium computed for a twenty annual premium payment life policy insuring the same sum and issued at the same age and upon the table of mortality adopted and rate of interest assumed, less the mortality charge computed on the basis of no reserve for such year; provided, the first year's expense charge on any policy, other than a term policy, shall not exceed the difference between the premium and the said mortality charge, and in case of a term policy shall not exceed the difference between the premium and the mortality charge for such year computed according to American Select table of mortality.*

(2) In any one of the four succeeding years, one and one-half \* \* \* times the amount which would be available under a level distribution of the maximum provision under sub-

division (b), over the premium paying period of the policy, computed upon the American Experience table of mortality with interest at three per centum per annum.

(3) In any year after the fifth year, the amount which would be available under a level distribution of *the remainder* of the maximum provision under subdivision (b), over the premium paying period of the policy, computed \* \* \* *according to* the American Experience table of mortality with interest at three per centum per annum.

3. *The foregoing limitation shall not prevent the addition to any premium payable in installments during the year of a sum not exceeding six per centum of the corresponding annual premium.*

4. *The foregoing expense charges may be used irrespective of the method of loading or valuation adopted by the company.*

5. This section shall not apply to policies of industrial insurance.

SECTION 5. Section 1950n of the statutes is amended to read: Section 1950n. Every foreign life insurance company doing business in this state or having in force any policies issued in this state, and every domestic life insurance company, shall, beginning with the first day of March, \* \* \* 1916, and on the first day of March each year thereafter, \* \* \* make a report in writing to the commissioner of insurance \* \* \* *in such form as he may require, of the expense charges and expenses on all business transacted during the calendar year preceding, excluding industrial business, if any, stating:*

1. *For the first year of insurance:—(a) the total expense charges provided for the first year of insurance as defined in section 1950m; and (b) the actual expenses for (1) commissions on first year's premiums, (2) advances to agents, (3) the expenses of medical examinations and inspections of risks less the savings on mortality, and (4) the due proportion of all other expenses, properly chargeable to first year's business, exclusive of investment expenses, taxes, fees and licenses, which said other expenses shall be classified to show separately agency supervision, home office expenses and other items; provided, that in case a company make direct payment for agency supervision or the conduct of branch offices, or any part thereof, by salaries or otherwise instead of exclusively by commissions, a deduction may be made from such other expenses, corresponding to the smaller renewal commissions payable by such company, and the apportionment made by the company under this subsection shall be final, unless written notice of disapproval shall be given to*

*the company by the commissioner of insurance within sixty days after the report is filed.*

2. *For the total business: (c) The total expense charges becoming available during the calendar year, and (d) the total expenses, less expenses of medical examinations and inspections of risks not exceeding savings on mortality, and also less fees, licenses, taxes and investment expenses.*

SECTION 6. Subsection 1 of section 1952c of the statutes is amended to read: Section 1952c. 1. The amount of profits, savings, earnings or surplus so ascertained to be due to each such policy, together with the interest earnings and accretions thereto, shall be carried as a distinct and separate liability to such policy and shall, except as otherwise provided in contracts heretofore issued, be paid or applied or be subject to be withdrawn in each policy year, or be paid upon the maturity or termination of the policy; *provided, this shall not require the payment of a dividend if none has accrued upon the policy, nor if the policy be changed or terminated other than by maturity prior to the policy anniversary.*

SECTION 7. Subsection 3 of section 1952c of the statutes is amended to read: Section 1952c. 3. The company shall annually, on or before the first day of March, after the year \* \* \* 1915, file with the commissioner of insurance in such form as he may require, a statement verified by the secretary and actuary, showing the amounts respectively of the unapportioned surplus, unpaid dividends, deferred dividend surplus mentioned in section 1952a and other surplus; and showing fully and in detail the method of ascertainment and apportionment of profits, savings, earnings or surplus on the policies within the provisions of section 1952b; the \* \* \* factors used in making such ascertainment and apportionment, and the rate of interest at which dividends left to accumulate have been improved.

SECTION 8. Section 1952d of the statutes is amended to read: Section 1952d. Not less than \* \* \* *fifteen* \* \* \* days prior to the date of distribution of the dividend on any *annual dividend* policy in any year \* \* \* every company having in force in this state any *such* policy \* \* \* shall mail to the insured \* \* \* at his last known post-office address, a statement of the apportionment of surplus to such \* \* \* *policy* according to the last dividend ascertainment, \* \* \* *giving the following information: (a) policy number, (b) mortality table, (c) interest basis, (d) gains from interest, mortality, expenses, and other sources stated separately or in*

*such combination as will conform to the company's method of distribution, (e) total dividend for year, (f) gross per cent and net per cent interest earned by company, (g) per cent mortality gain actually experienced by the company during the year, and (h) if not included thereon, a statement that a memorandum of existing dividend credits or additions will be furnished on request; provided that the company may omit the separate items of gains where the factors are specified, with a statement that such items will be furnished on request; and provided further that the aforesaid percentages may be approximated where the statement is sent before the figures for the year are available. This section shall not apply to policies of industrial insurance.*

SECTION 9. Section 1952f of the statutes is amended to read: Section 1952f. On all policies of life insurance heretofore or hereafter issued by any company doing business in this state, under the conditions of which the distribution of profits, savings, earnings or surplus is deferred for more than one year from the date of the policy, and contingent upon the policy being in force and the insured living at the completion of the period for which such distribution is deferred, the company shall, as of the thirty-first day of December in each year,  
 \* \* \* ascertain and set apart as to such policies as a class the amounts of profits, savings, earnings, or surplus then accumulated to provide for the apportionment and distribution agreed upon in such policy contracts.  
 \* \* \*

SECTION 10. Section 1952g of the statutes is amended to read: Section 1952g. No part of the amount of profits, savings, earnings or surplus so ascertained and set apart to such class of policies under \* \* \* section 1952f, nor of the interest earnings or accretions thereto, shall be diverted for dividends, expenses or surplus on account of any other class or classes of policies.

SECTION 11. Section 1952i of the statutes is amended to read: Section 1952i. *Not less than fifteen days prior to the end of the dividend period provided for in the policy, every company having in force in this state any policy mentioned in section 1952f shall \* \* \* forward by mail to \* \* \* the insured under any such policy residing in this state at his last known post-office address, \* \* \* a statement \* \* \* showing the amount of the deferred dividend to be apportioned to the policy, the date such dividend is payable and the options available, if any.*

SECTION 12. Subsection 1 of section 1953n of the statutes is amended to read: Section 1953n. 1. Every life insurance company doing business in this state, or having in force any policies issued or delivered therein, shall on or before the first day of March in each year file in the office of the commissioner of insurance the annual statement required by section 1954 and include as a part thereof an exhibit of the gains and losses separately for its participating and nonparticipating business and its ordinary and industrial business, and separately as to each for the first year's business and for the total business of the company; *provided, that this shall not require separate statements as to participating and nonparticipating business where a company is issuing only participating policies, or a separate statement as to the first year's industrial business.*

SECTION 13. This act shall take effect on passage and publication.

Approved June 25, 1915.

No. 172, A.]

[Published July 1, 1915.

### CHAPTER 313.

AN ACT to amend subsections 1 and 4 of section 553p—6 of the statutes, relating to the industrial, continuation, commercial and evening schools and the aid that may be granted to cities, towns and villages maintaining such schools.

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

SECTION 1. Subsections 1 and 4 of section 553p—6 are amended to read: (Section 553p—6) 1. Not more than ten thousand dollars shall be appropriated from the state funds for the purposes of sections 553p—1 to 553p—9, inclusive, and section 553p—15 in any one city, town or village *in any one year*

\* \* \*

4. If such report is satisfactory to the state superintendent of education and the state board of industrial education, and they are satisfied that the school or schools have been maintained in a satisfactory manner for not less than eight months during the year ending the thirtieth of the preceding June, the state superintendent of education shall make a certificate to that effect and file it with the secretary of state. The secretary of state shall then draw a warrant payable to the treasurer of such city, town or village in which the industrial school is located for a sum equal to one-half the amount actually expended in such in-