

**CHAPTER 64.**

AN ACT to amend 206.34 (1) (b), (bm), (bn), (c) and (ef); and to create 206.34 (1) (k) of the statutes, relating to investments of domestic life insurance companies.

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

SECTION 1. 206.34 (1) (b) of the statutes is amended to read:

206.34 (1) (b) In the lawfully authorized bonds or other evidences of indebtedness of any county, city, town, village, \* \* \* school district \* \* \*, or of any other governmental or civil division \* \* \* within the United States or *Canada* or the District of Columbia, which shall be a direct obligation of the county, city, town, village \* \* \*, school district, or other governmental or civil division issuing the same.

SECTION 2. 206.34 (1) (bm) of the statutes is amended to read:

206.34 (1) (bm) In lawfully authorized bonds or other evidences of indebtedness payable from and adequately secured by revenues specifically pledged therefor of the United States or *Canada*, or of any state of the United States, or of a commission, board or other instrumentality of one or more of them.

SECTION 3. 206.34 (1) (bn) of the statutes is amended to read:

206.34 (1) (bn) In the lawfully authorized evidences of indebtedness of a municipally owned public utility of this state created pursuant to section 3 of article XI of the constitution, if the net book value of the property pledged as security for such bonds has been established or approved by the public service commission and the total issue of such bonds does not exceed 50 per cent of the net book value of the property pledged as security therefor. In lawfully authorized bonds or other evidences of indebtedness payable from revenues of a public utility or railroad owned by or held for the benefit of any state, county, city, town, village, or other governmental subdivision \* \* \* within the United States or *Canada*, or in the District of Columbia \* \* \*, provided such bonds or other evidences of indebtedness are adequately secured by mortgage or lien on the property of the said utility or railroad; or by specific pledge of revenues, provided the resolutions or ordinances adopted by the governing body of such state, county, city, town, village, or other governmental subdivision \* \* \* authorizing the issuance of such bonds or other evidences of indebtedness and pledging revenues, shall require that during the life of the bonds or other evidences of indebtedness, rates, fees, tolls or charges fixed, maintained and collected together with any other revenues pledged shall at all times be such as will produce revenues sufficient to pay all expenses of operation and maintenance of such undertaking and the principal of such bonds or other evidences of indebtedness when due and interest thereon pursuant to applicable laws of the state or states permitting or requiring the fixing, maintenance and collection of rates, fees, tolls or charges in such amounts.

SECTION 4. 206.34 (1) (c) of the statutes is amended to read:

206.34 (1) (c) In loans secured by mortgages upon unincumbered and wholly or partly improved real property in \* \* \* the United States or *Canada*, \* \* \* or upon leasehold estates in improved real property therein. Real property and leasehold estates shall not be deemed to be incumbered within the meaning of this section by reason of the existence of unpaid assessments and taxes not delinquent, mineral, oil or timber rights, easements or rights of way for public highways, private roads, railroads, telegraph, telephone, electric light and power lines, drains, sewers or other similar easements or rights of way, liens for service and maintenance of water rights when not delinquent, party wall agreements, building restrictions, or other restrictive covenants or conditions, with or without a reversionary clause, or leases under which rents or profits are reserved to the owner. \* \* \* No such loan shall exceed \* \* \* *two-thirds* of the then fair market value, including buildings, if any, mortgaged to secure the same. If the value of the buildings constitutes any part of the security, such buildings must be kept insured to an amount which, together with \* \* \* *two-thirds* the value of the land, shall equal or exceed the loan, and the policy or policies of insurance must be assigned or made payable to and held by or for the benefit of the company as collateral to such loan. \* \* \* The foregoing limitations and restrictions shall not apply to real estate loans which are insured under the provisions of the national housing act by the federal housing administration or to real estate loans made under the provisions of ch. 219.

SECTION 5. 206.34 (1) (ef) of the statutes is amended to read:

206.34 (1) (ef) In evidences of indebtedness of any solvent company organized under the laws of the United States or of any state thereof, or of the Dominion of Canada or

of any province thereof (in addition to those mentioned in any other paragraphs of this subsection, and other than evidences of indebtedness of corporations organized for the sole purpose of holding securities of other corporations), if the net earnings of the issuing company available for fixed charges for a test period of 3 fiscal years next preceding the date of investment by the insurance company shall have averaged per year not less than 2 times its average annual fixed charges applicable to such period, and the issue of which has been approved by the proper public authority if such approval was required by law at the time of issue; provided that no insurance company shall invest in any one issue of such evidences of indebtedness in excess of one per cent of its admitted assets; provided further that the company issuing such evidences of indebtedness has not defaulted in the payment of principal or interest upon any of its bonds, or other evidences of indebtedness at any time during 5 years prior to the date of investment therein, or since issuance, if issued less than 5 years prior to the date of investment therein. \* \* \*

SECTION 6. 206.34 (1) (k) of the statutes is created to read:

206.34 (1) (k) In the purchase and ownership of any real estate located within the continental limits of the United States or the Dominion of Canada which produces income or which by suitable improvement will produce income. The term "real estate" as used in this paragraph shall include a leasehold of real estate and other interests in real property. The aggregate of such company's investment under this paragraph shall not exceed 5 per cent of such company's admitted assets, and shall not be subject to the limitation contained in s. 201.24 (3).

Approved April 16, 1953.

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