

No. 560, A.]

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CHAPTER 335

AN ACT to repeal 202.08 (1a) (a) (intro. par.), 1, 2, 3 and 5 and (b); to renumber and amend 202.08 (1a) (a) 4 and (c); to amend 202.01 (1), (2) (a) (Art. II) and (8), 202.08 (1), 202.085 (2) and 202.10 (1); and to create 202.01 (2) (b) of the statutes, relating to coverage by town mutual insurance companies.

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

SECTION 1. 202.01 (1) of the statutes is amended to read:

202.01 (1) Any number of persons not less than 100 residing in the same county, who collectively own \$100,000 worth of insurable property therein which they desire to insure, may form a town mutual insurance company for * * * *the purpose of providing fire insurance protecting against loss or damage to property, by fire, lightning, hail, tempest, explosion, and against any other loss or damage from any cause to property or in the use of, or income from property, except that arising from legal liability for loss or damage to property of third parties, or for loss or damage resulting from accident or injury to, or death of any person and for which the insured is liable.*

SECTION 2. 202.01 (2) (a) (Art. II) of the statutes is amended to read:

202.01 (2) (a) (Art. II) The business of the company shall be fire * * * insurance and subject to the limitations of the statutes and of this

company's bylaws it may do business in all of the towns, villages and cities within the county of, but not elsewhere.

SECTION 3. 202.01 (2) (b) of the statutes is created to read:

202.01 (2) (b) The articles of any existing corporation, organized or operating under the provisions of this chapter before the effective date of this paragraph (1957), are hereby amended to conform to this subsection.

SECTION 4. 202.01 (8) of the statutes is amended to read:

202.01 (8) Every town mutual shall adopt bylaws which shall prescribe the manner in which the same may be amended and such bylaws shall not be inconsistent with or a waiver of any of the provisions or conditions of the standard town mutual policy. Two copies of such bylaws and of any amendments thereto, accompanied by the certificate of the president and secretary stating that the same have been duly adopted and that such copy is true and complete, shall be filed with the commissioner within 30 days after such adoption. If approved by the commissioner he shall file one copy and return the duplicate showing his approval, but if disapproved by the commissioner they shall be void. A copy of the policy, application, and of each other form of *endorsement or rider* used by any such company, shall be furnished to and filed by the commissioner and he shall approve or disapprove the same.

SECTION 5. 202.08 (1) of the statutes is amended to read:

202.08 (1) The board of directors shall issue policies, signed by the president and secretary, agreeing in the name of the corporation to pay to the insured all *loss or damage* * * * which may be occasioned by * * * fire or lightning, * * * or by such additional perils the indemnification for which the corporation by affirmative action by the board of directors (and by the members as provided in par. (a) as a prerequisite to insuring against windstorm and hail) may assume. The standard town mutual policy shall be used by each such company and no company shall issue any policy until the blank form for the same shall have been approved by the commissioner. *Each such company may use, issue and attach to the standard town mutual policy endorsements or riders for coverage against loss or damage caused by perils other than fire or lightning.*

SECTION 6. 202.08 (1a) (a) (intro. par.) 1, 2, 3 and 5 and (b) of the statutes are repealed.

SECTION 7. 202.08 (1a) (a) 4 and (c) of the statutes are renumbered 202.08 (1) (a) and (b), respectively, and amended to read:

202.08 (1) (a) *When authorized by the board of directors and the requisite number of members as hereinafter required such company may issue, as a rider to the standard town mutual policy, an endorsement for coverage against loss or damage caused by windstorm and hail, but such windstorm and hail coverage shall be on property other than growing crops; provided, * * * that as a condition precedent to engaging in the writing of windstorm and hail insurance the company shall: * * **

1. Have filed proof with the commissioner of insurance showing to his satisfaction that two-thirds of all members voting have voted in favor of authorizing the company to insure against the peril of windstorm and hail damage at a regular or special meeting of members, the written notice of which meeting to each member shall have specified such authorization as one of the purposes of said meeting, and that a mail ballot was mailed to each member not less than 30 days prior to such meeting setting forth the exact question to be voted upon. A written vote received

by mail from any absent member, and signed by him, shall be equivalent to a vote of the member so signing; * * *

2. Have procured a contract or contracts reinsuring at least 90 per cent of the liability assumed on any risk under this * * * *paragraph* which such reinsurance contract shall be filed with and approved by the commissioner of insurance. Such reinsuring company shall either have and maintain a surplus of not less than \$100,000, or such reinsuring company shall have reinsurance contracts covering windstorm and hail risks on property other than growing crops with not less than 25 town mutual insurance companies operating in not less than 36 counties of this state.

(b) The board of directors may levy an additional assessment for coverages * * * *provided for* under sub. * * * (1).

SECTION 8. 202.085 (2) of the statutes is amended to read:

202.085 (2) No town mutual insurance company, its officers or agents, shall issue, use or deliver for use any insurance policy on property in this state, unless it shall conform as to all provisions, agreements and conditions of the standard town mutual policy as set forth in sub. (1). The name of the company shall, and its location or place of business and the date of its organization may at the option of the company be printed on the policies. There may be inserted in the space indicated therefor or added to the policy by agreement in writing thereon or by endorsement thereto descriptions and specifications by schedule or otherwise of the property covered. Appropriate forms of endorsements, whereby the interest in the property described in such policy shall be insured against one or more of the perils which the insurer issuing the policy is empowered to assume may be used in connection with the standard town mutual policy. Such form of endorsements attached or printed thereon may contain provisions and stipulations inconsistent with the standard town mutual policy, provided that the fire and lightning portions thereof shall be in accord substantially with such standard town mutual policy. Subject to the approval of the commissioner, the first page of the standard town mutual policy may be rearranged as to all provisions thereof and to provide space for listing of rates and premiums for coverages insured thereunder or under endorsements attached or printed thereon. *Subject to the approval of the commissioner, the insuring clause in the standard town mutual policy may be modified to include perils in addition to fire and lightning when such perils are included under the policy conditions.*

SECTION 9. 202.10 (1) of the statutes is amended to read:

202.10 (1) Every member who may sustain loss from * * * *a peril against which he is insured* shall immediately notify the secretary or the president who shall forthwith convene the adjusting committee which shall promptly ascertain the amount of the loss and shall authorize the secretary to offer such ascertained amount to the member sustaining the loss.

Approved July 5, 1957.