

No. 438, A.]

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CHAPTER 76

AN ACT to renumber and amend 206.181 (6) ; to amend 206.201 (2) (a), 206.26 (2), 208.15 (1) and 208.17 (2) ; and to create 206.181 (6) (b) of the statutes, relating to tables of mortality used in determining nonforfeiture values, valuation reserves, and mortality and expense charges for certain life insurance policies.

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

SECTION 1. 206.181 (6) of the statutes is renumbered 206.181 (6) (a) and amended to read:

206.181 (6) (a) *Except as otherwise provided in par. (b), all adjusted premiums and present values referred to in this section shall for all policies of ordinary insurance be calculated on the basis of the commissioners 1941 standard ordinary mortality table * * *, except that for any category of ordinary insurance issued on female risks adjusted premiums and present values may be calculated according to an age not*

*more than 3 years younger than the actual age of the insured. Such calculations for all policies of industrial insurance shall be made on the basis of the 1941 standard industrial mortality table * * *. All calculations shall be made on the basis of the rate of interest, not exceeding 3½ per cent per annum, specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits; provided, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may * * * not be more than 130 per cent of the rates of mortality according to such applicable table. For insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the commissioner.*

SECTION 2. 206.181 (6) (b) of the statutes is created to read:

206.181 (6) (b) In the case of ordinary policies issued on or after the operative date of this paragraph as defined herein, all adjusted premiums and present values referred to in this section shall be calculated on the basis of the commissioners 1958 standard ordinary mortality table and the rate of interest, not exceeding 3½ per cent per annum, specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits, provided that for any category of ordinary insurance issued on female risks adjusted premiums and present values may be calculated according to an age not more than 3 years younger than the actual age of the insured. In calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the commissioners 1958 extended term insurance table. For insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the commissioner. After the effective date of this paragraph (1959), any company may file with the commissioner a written notice of its election to comply with the provisions of this paragraph after a specified date before January 1, 1966. After the filing of such notice, then upon such specified date (which shall be the operative date of this paragraph for such company), this paragraph shall become operative with respect to the ordinary policies thereafter issued by such company. If a company makes no such election, the operative date of this paragraph for such company shall be January 1, 1966.

SECTION 3. 206.201 (2) (a) of the statutes is amended to read:

206.201 (2) (a) For all ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in such policies, the commissioners 1941 standard ordinary mortality table *for such policies issued before the operative date of s. 206.181 (6) (b) as defined therein, and the commissioners 1958 standard ordinary mortality table for such policies issued on or after such operative date; provided that for any category of such policies issued on female risks all modified net premiums and present values referred to in this section may be calculated according to an age not more than 3 years younger than the actual age of the insured.*

SECTION 4. 206.26 (2) of the statutes is amended to read:

206.26 (2) The amount provided for expenses and contingencies, otherwise designated as the "expense charge," for any policy year shall not exceed in the first year the sum of the maximum level provision for

expenses and contingencies for such year permitted for the policy in question under * * * *sub. (1) (b)*, the excess of the first year's premium over the largest subsequent annual premium on the policy, and the net level premium computed for a 20 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 *allowable under sub. (1)* and the said mortality charge, and in case of a term policy shall not exceed the difference between the premium and *50 per cent of the mortality charge for such year computed according to the * * * commissioners 1958 standard ordinary mortality table.*

SECTION 5. 208.15 (1) of the statutes is amended to read:

208.15 (1) No mutual benefit society shall be incorporated or permitted to transact business in this state unless its laws require regular payments at rates to provide for mortality and reserves not lower than those derived from the national fraternal congress mortality table, computed upon an interest assumption of 4 per cent per annum, (except that a foreign society may calculate its reserves as provided in s. 208.28 (2)), unless it * * * *elects* to compute its rates and reserves upon the basis of a mortality table and interest assumption permitted * * * *for life insurance companies*, nor unless it * * * *holds* assets sufficient to provide for its other liabilities and its reserve liability, upon its own plan and assumptions within the foregoing limitations.

SECTION 6. 208.17 (2) of the statutes is amended to read:

208.17 (2) Any society electing to compute its rates and reserves upon the basis of the commissioners 1941 standard ordinary mortality table *or the commissioners 1958 standard ordinary mortality table*, and an interest assumption permitted * * * *for life insurance companies*, shall compute the value of benefits granted upon forfeiture or change in the contract in accordance with * * * s. 206.181.

Approved June 10, 1959.
