

CHAPTER 210.

STATE INSURANCE.

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210.01 Powers annulled. No officer or agent of this state, and no person or persons having charge of any public buildings or property of the state, shall pay out any public moneys or funds on account of any insurance against loss by fire, tornado, or any other risk upon property, or loss or damage from any cause to property, or shall in any manner contract for or incur any indebtedness against the state on account of any such insurance upon any of the public buildings, furniture, fixtures or property of any kind whatever belonging to the state except in the manner hereinafter provided. [1937 c. 158]

Note: State has insurable interest in office equipment furnished to income tax assessors by counties and such property may be insured in state insurance fund. 19 Atty. Gen. 249. State property may be insured against theft; but such insurance may not be combined with fire or tornado insurance. 19 Atty. Gen. 284.

210.02 State insurance fund. Upon July first, annually, the commissioner of insurance of the state shall provide for the insurance by the state of all state property subject to destruction by fire for an amount equal to ninety per cent of the cash value of such property, except that the state capitol building shall not be insured for more than five hundred thousand dollars and the state historical library building for not more than two hundred thousand dollars, in the following manner: First, he shall determine the insurable value of each item of property and shall fix the rate of insurance which in his opinion is the average rate charged by responsible insurance companies doing business in this state and issuing insurance policies upon property of similar kind and exposed to the same or similar risks in like manner. He shall then ascertain the amount of insurance in force upon all state property and provide for such additional insurance as is necessary to cover said ninety per cent of the full value of the property in the following manner: He shall certify to the state treasurer the amount of insurance upon such property to be carried by the state and order the state treasurer to credit to an account which shall be kept by the treasurer and known as the "state insurance fund" an amount equal to sixty per cent of the premium as fixed by the commissioner of insurance, and the amount so credited by the state treasurer to the "state insurance fund" shall be debited by the state treasurer to that account which shall be kept upon his books with the proper officer, agent or board of trustees or regents which may have such public buildings and property in its charge, and the amount so debited by the state treasurer to said officer, agent or board shall be deducted by him from any funds which may be in his hands, or which may thereafter come into his hands and payable to said officer, agent or board of trustees or regents for the care and maintenance of such public buildings or property. The commissioner of insurance may with the approval of the governor purchase such reinsurance as may in the opinion of said commissioner be necessary to properly distribute the risk; provided no such reinsurance shall be effected when the net risk carried by the "state insurance fund" shall not equal or exceed one hundred thousand dollars nor where the rate for assuming a proportional amount of the risk shall exceed that received by the "state insurance fund." The commissioner of insurance shall collect such reinsurance upon any loss and pay the same into the "state insurance fund." [1937 c. 158]

210.03 Loss; commissioner to adjust; transfer of funds. (1) (a) In case any buildings or property of the state shall be damaged by fire or tornado, the commissioner of insurance shall within thirty days ascertain and fix the amount of such damage and forthwith file with the state treasurer and the secretary of state a statement of the same.

(b) If in case of any loss or damage by fire or tornado of any buildings or property owned by any county, city, village, town or school district or library board, insured in the state insurance fund, there shall arise any difference of opinion between the local authorities and the commissioner of insurance as to the amount of the loss or damage incurred, such loss or damage, upon the demand of the local authorities, shall be determined by appraisalment, the local authorities and the commissioner of insurance each selecting a competent and disinterested appraiser. The appraisers shall first select a competent and disinterested umpire; and if they do not agree upon such umpire within fifteen days, then

such umpire shall be selected by a judge of a court of record in this state. The appraisers shall then appraise the loss and damage stating separately sound value and loss or damage to each item; and failing to agree, shall submit their differences only, to the umpire. An award in writing, so itemized, of any two when filed with the commissioner of insurance shall determine the amount of sound value and loss or damage. Each appraiser shall be paid by the party selecting him and other expenses of appraisal and umpire shall be paid by the parties equally.

(2) When the amount of loss has been fixed and determined by the commissioner of insurance and certified to the secretary of state, the secretary of state shall issue a warrant in the amount fixed by the insurance commissioner as a transfer of the amount fixed as damages from the "state insurance fund" and credited to the building fund of the officer, board of control, board of trustees, or other agents in whose control said buildings or property belongs, and to be disbursed by the state treasurer in such manner as other state funds for the use of said officer, board, or agent are paid out, and if at the time of any such award of loss or damage by the commissioner of insurance, there shall not be in the "state insurance fund" an amount equal to such award, the secretary of state shall, notwithstanding this fact, draw his warrant payable from the general fund, and the state treasurer shall promptly pay such warrant out of any moneys in his hands in the manner above provided, and the commissioner shall thereafter from time to time order such reimbursement of the general fund from the "state insurance fund" as he shall deem proper, on which order the secretary of state shall issue his warrants for such transfer. [1937 c. 158]

210.04 State insurance fund. (1) No county or village board or common council, and no officer or agent of any county, city or village having charge of any public buildings or property of any county, city or village, and no city council, village, town or school district or library board having charge of any public building or property of a school district located within any incorporated city or village, shall contract for or pay out any money or funds for insurance, against fire or any other risk upon property, on and after a vote of such board or council to insure under this section, except as may be certified by the commissioner of insurance to be necessary.

(2) After such decision by such board or council, the clerk thereof shall report to the commissioner of insurance each policy of insurance which shall then be in force upon any property of any kind belonging to the county, city or village or to the school district, whether under the control of such board or council or any other board, officer or agent, stating the property covered by such policy, the date of the issue and the expiration thereof, the amount and rate of insurance and premium thereon.

(3) After such decision by such board or council, the insurance on all property of any such county, city, town, village or school district shall be provided for, and adjustment of losses made by the commissioner of insurance, in the manner provided by sections 210.02 and 210.03 for the insurance of property of the state, except that the premium shall be certified by the commissioner to the clerk of the town, village, city, county or school district. Upon receipt of such certification of premium due, the amount of the premium so certified shall on or before sixty days from the date of such certification be paid into the state treasury for the benefit of the "state insurance fund," in default of which the same shall become a special charge against such town, village, city or county or school district, and be included in the next apportionment or certification of state taxes and charged and collected as other special charges are collected, with interest at the rate of ten per cent per annum from the date such premiums were certified by the commissioner. If any board or council shall so order, the amount of insurance upon the whole or any part of the property under its control shall be fixed at such per centum or sum less than the ninety per centum specified in section 210.02 as may be fixed by such board or council. Any such board or council may pay premiums in advance for five years by filing notice with the commissioner of insurance of its intention so to do, and paying four times the annual premium at the time the first annual premium becomes payable.

(4) Provided, that policies in force on said date of the passage of a resolution to insure in the "state insurance fund," shall remain in force until terminated, as provided in such policies; and that said clerk shall give notice to the commissioner of each such termination, and the state insurance hereby provided for shall take effect from such termination.

(5) Any loss under a policy held by a county, city, village, school district, or library board in the "state insurance fund" shall be adjusted by the commissioner of insurance and upon being determined he shall certify such amount of loss to the secretary of state, who shall thereupon issue a warrant therefor on the "state insurance fund" payable to the treasurer of the county, city, village, school district, or library board entitled to such damages.

(6) For carrying out the provisions of sections 210.01 to 210.03, and this section, the commissioner, with the approval of the governor, may employ such assistants as necessary, and fix their compensation, which compensation, together with the expenses of such assistants and of the commissioner and his employes and the expenses of conducting the "state insurance fund," shall be paid out of the state insurance fund on the certificate of the commissioner, audited by the secretary of state. The commissioner of insurance shall make such inspection and report upon all property insured as may be required.

(7) Beginning January first, 1918, and annually thereafter, the state treasurer shall credit the state insurance fund with interest on the average amount in such fund for the preceding twelve months at the average rate of interest earned by the state upon its bank deposits during that period. If said fund shall at any time subsequent to January first, 1918, be indebted to the general fund of the state such fund shall be charged, at the end of each calendar year, with interest on such indebtedness at the average rate earned by the state upon its bank deposits during the period of such indebtedness and such sum shall be credited to the general fund, provided that the state annuity and investment board may cause such funds to be invested in the securities authorized in section 206.34.

(8) Any county, city, village, school district, or library board may terminate its insurance in the "state insurance fund" by a majority vote of its board or council, and upon certifying such action to the commissioner of insurance, the insurance remaining in force in that fund shall terminate upon expiration of the policy contract. [1937 c. 158]

Note: City of Milwaukee, having legal title to auditorium, may insure entire value of property in state insurance fund regardless of fact that private corporation owns equity in building. 28 Atty. Gen. 687.
County board is only county agency which has authority to insure county property in state insurance fund under this section. No part of county property may be insured in such fund unless all of property owned by county is so insured. No board or committee in charge of any county property may insure it with any privately managed insurance company after county board has voted to insure in state insurance fund, unless such vote is rescinded by county board. 30 Atty. Gen. 405.
See note to 66.06, citing 31 Atty. Gen. 305.

210.05 State life insurance. (1) **LIFE FUND.** There is established a "life fund" to be administered by the state without liability on the part of the state, beyond the amount of the fund, for the purpose of granting life insurance, with or without total and permanent disability waiver of premium benefits, and annuities to persons who, at the time of the granting of such insurance and annuities, are within the state or residents thereof.

(2) **MANAGEMENT.** The state treasurer shall be ex-officio treasurer and custodian of the life fund, and all other matters in relation thereto shall be under the supervision of the commissioner of insurance. Each shall give such bond therefor as may be required and approved by the governor and secretary of state, which shall be filed with his official bond. The state annuity and investment board shall cause the moneys in the life fund to be invested and reinvested in the securities authorized in section 206.34, and may sell and dispose of such securities as may be necessary in the management of such fund. In making such investments, preference shall be given to applications for loans to farmers and cooperative associations.

(3) **FORMS AND DATA.** Within two years from the taking effect of this section, the commissioner of insurance shall prepare and file in his office forms of applications and policies, schedules of premiums, tables of costs of insurance and reserve, and other data and forms for carrying out the provisions of this section.

(4) **PREMIUM BASIS.** The premiums for life insurance in the life fund shall be based upon the American Experience Table of Mortality with additions for extra hazards, and for total and permanent disability waiver of premium benefits and with interest at three per cent per annum, to which shall be added for expenses and contingencies two dollars per year per thousand dollars of insurance, and an amount distributed equally through each of the possible premium payments, the present value of which shall be equal to one-sixth of the present value of the costs of insurance on the basis aforesaid.

(6) **RATE SCHEDULES.** Upon the filing of such forms, the commissioner of insurance shall furnish schedules of rates and copies of the forms of policies to every state factory inspector, to the clerk and treasurer of every county, town, city and village and to every state bank, whose duty it shall be to fill out and transmit applications for insurance and annuities, and such schedules and rates shall also be furnished to any other person applying therefor.

(7) **APPLICATION AND EXAMINATION.** The application shall be transmitted to the commissioner of insurance, together with the premium for three months, or multiples thereof. The commissioner of insurance and the state board of health shall pass upon all applications for insurance, and no life insurance shall be granted without a personal medical examination to be made at the direction of the state board of health, for which the local examiner shall receive a medical examination fee of three dollars. If the application be rejected, the deposit shall be returned, less the fee paid for the medical examination. No examination shall be required on application for annuities. If the application be accepted,

the premium shall be paid into the life fund and a policy shall be issued, to be signed by the commissioner of insurance and the state treasurer, reciting that the same shall be payable out of the life fund without further liability on the part of the state.

(8) PAYMENTS. The commissioner of insurance shall provide the insured with blanks to be used in the payment of premiums, and such premiums may be paid to the treasurer of any city, village, town or county, or to any state depository, who shall receipt for and remit the same to the commissioner of insurance. The bond of every such treasurer and state depository shall include a liability for all premiums and other money received for the life fund.

(9) SURPLUS DISTRIBUTION. Not less than ten per cent of the net profits for each year shall be contributed to surplus to meet losses from unexpected or great mortality or depreciation in securities or otherwise, except that such contribution shall be sufficient to maintain a ratio of surplus to admitted assets of not less than seven per cent, and may be discontinued or decreased in the event that such ratio exceeds fifteen per cent. The balance of net profits shall be distributed annually among the policyholders.

(10) LOANS; REPAYMENT. Loans may be made on a policy to an amount, which together with interest at six per cent per annum, shall not exceed the reserve on the next policy anniversary on the basis of the premiums then paid. Any premium not paid when due shall be charged as a loan. When the unpaid loan and interest equals the reserve, the policy shall terminate, but before that time the whole or any part of a loan may be repaid.

(11) CASH SURRENDER. The reserve, less unpaid loans and interest, shall be payable in cash on the anniversary of the policy after six months' advance notice to the commissioner in writing and the surrender of the policy.

(12) LOSSES. The losses and other payments required to be made out of the life fund, including deposits for premiums upon applications which shall be rejected, shall be audited by the secretary of state upon the adjustment, order and certificate of the state treasurer, attorney-general and commissioner of insurance, acting as a board, and be paid by the treasurer out of the life fund, and annuities shall be paid in like manner.

(13) EXPENSES; FEES; COMMISSIONS. (a) There shall be audited by the secretary of state, upon the certificate of the aforesaid board, and paid by the state treasurer out of the expense element of the life fund the compensation of clerks and assistants employed by the commissioner to administer the life fund, a fee of two dollars to the medical examiner for each medical examination, and the actual expense upon the adjustment of any loss or the defense or prosecution of any action. The compensation certified by such board due employes of the state paid a fixed salary shall, instead of being paid to such employes, be transferred into the general fund of the state.

(b) There shall be retained by any person insured paying direct, or by any other person transmitting any application for insurance or any annuity, or collecting and transmitting any premium, a fee of twenty-five cents for each application and a fee of one per cent on the amount of the premium. Any such other person transmitting an application or premium shall be held to be the agent of the insured.

(c) Any fees or expenses to which any person shall be entitled under the provisions of section 210.05 shall, after having been paid into the state treasury, be audited by the secretary of state upon the certificate of the commissioner of insurance, and be paid by the treasurer out of the life fund.

(14) POLICIES; AMOUNT. Policies of life insurance may be issued upon being approved by the commissioner of insurance and the state board of health; but no policy or policies shall be issued on any one risk exceeding in amount one-half of one per cent of the total amount of insurance in force.

(16) COMBINATION POLICIES. Life insurance and an annuity or annuities may be combined and may be granted in the same policy.

(17) ACCOUNTS; AUDIT; REPORTS. The accounts of the life fund shall be kept by the commissioner of insurance and shall be audited in the same manner as the accounts of state officers. Valuations and reports shall be made annually, conforming to the reports required of life insurance companies by the laws of this state, but, except as specifically provided, the other provisions of the laws relating to insurance shall not apply to the life fund.

(18) REGULATIONS. The commissioner of insurance shall make such reasonable rules and regulations for the granting of life insurance and annuities, as shall be necessary to carry out the provisions of this section.

(19) MILITARY SERVICE. The Life Fund of the State of Wisconsin shall be deemed an insurer under Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940 (Public No. 861 - 76th Congress) and amendments thereto or reenactment thereof, and the commissioner of insurance is hereby directed to assent to modifications required with respect

to any policy certified for benefits as therein provided, any provision of the statutes to the contrary notwithstanding. This subsection shall remain in force concurrently with said act of Congress and amendments thereto or reenactments thereof. [1937 c. 90, 220; 1943 c. 248]

211.01 to 211.12 [Repealed by 1937 c. 226]