

No. 331, A.]

[Published May 4, 1891.]

## CHAPTER 296.

AN ACT to amend chapter 305, of the laws of 1887, relating to the organization of local insurance companies in the cities and villages of this state, and chapter 211, of the laws of 1889, amendatory thereof.

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

Amends chapter 305, laws of 1887.

Town insurance companies, how organized.

SECTION 1. Section 1, of chapter 305, of the laws of 1887, is hereby amended by striking out the words "nor more than nine," wherever they occur in said section, and by inserting after the words "to such insurance in the city above named under the provisions of chapter —, of the laws of 1887," the words "and the laws amendatory thereof," and by inserting after the words "and at the same time or within thirty days thereafter a copy of the," the words "constitution and," so that the same shall read as follows: Section 1. Any number of persons not less than twenty-five, residing in any city or cities, or villages, incorporated or unincorporated, in the same county, who collectively, shall own property of not less than twenty five thousand dollars in value which they desire to have insured, may form themselves into a corporation for mutual insurance against loss or damage by fire or lightning, by complying with the following conditions, namely: They shall sign articles of organization, which shall be substantially in the following form: The undersigned, all residents of the city of . . . . ., cities or villages of . . . . ., or the county of . . . . ., and state of Wisconsin, and owners of at least twenty-five thousand dollars worth of property, which we desire to insure, do hereby associate for the purpose of forming a mutual fire insurance corporation, to do such insurance in any city or cities, or villages in the same county above named, under the provisions of chapter . . . ., of the laws of 1887, and the laws amendatory thereof. The name of

such corporation shall be the (here insert corporate name in full). The officers thereof shall be a board of directors of .... (insert the number, which shall be not less than five), a president, secretary and treasurer, and such others as may be provided for in the by-laws of such corporation; and the office of such corporation shall be in any one city or village in the county aforesaid, designated by the directors. The following named persons shall constitute the first board of directors, and shall hold their respective offices until the first annual meeting following the date of these articles, and until their successors are elected (here insert names of first board of directors) In witness whereof, we have hereunto subscribed our names, this .... day of ....., A. D. 18... Such articles shall be subscribed by at least twenty-five persons, residents of the city or village therein named, all adults, and who collectively, are owners of at least twenty-five thousand dollars worth of property, which shall be insured by such corporation; and, when so signed, shall be filed and recorded in the office of the clerk of such city or village, or in case of county companies in the office of the register of deeds of said county; and at the same time, or within thirty days thereafter, a copy of the constitution and by-laws of such corporation with the names of its officers shall be filed in said office; and thereupon the persons subscribing said articles, and such as shall afterwards become insured thereby, shall be a corporation by the name mentioned in said articles, with the usual powers, and subject to the usual duties and liabilities of a corporation, for the purposes hereinafter mentioned. The name of such corporation shall embrace the name of the city or village in which the same is located.

SECTION 2. Section 2 of said act is hereby amended by adding the words, "Unless otherwise provided by the constitution and by-laws," and by striking out the words "for each two hundred dollars for which he is insured," so that said section when so amended shall read as follows: Section 2. Unless otherwise provided by the constitution and by-laws, the directors, subsequent to the first board, shall be chosen by ballot at the annual meeting of the corporation which shall be held

Directors, how  
elected. An-  
nual meetings

on the second Monday of January of each year, unless some other day be fixed for such annual meeting by a majority of the votes of such corporation, and every person insured by such corporation shall have one vote at such election and the transaction of all other business, except as otherwise provided by law, may be determined *viva voce* or by ballot, as such corporation may, by its by-laws or other rules and regulations prescribe, but no person shall vote by proxy except women.

Term of office  
of directors.

SECTION 3. Section 3 of said act, is hereby amended by adding the words "unless otherwise provided for by the constitution and by-laws," so that said section, when so amended, shall read as follows: Section 3. Unless otherwise provided for by the constitution and by-laws, the directors, except those constituting the first board, whose term of office shall be as defined in the articles of incorporation, shall hold their offices for one year and until their successors are elected. They shall choose one of their number president and one vice-president, and a secretary and a treasurer, and shall keep a record of all their proceedings, in a book kept for that purpose, together with the names and places of residence of all persons insured and the amount for which each is insured, which shall be kept open for inspection of all members of such corporation, at the office of said company, from the hour of nine o'clock in the forenoon to four o'clock in the afternoon of such days of each week as may be determined by the annual meeting of such corporation.

Treasurers'  
bonds.

SECTION 4. Section 4 of said act is hereby amended by striking out the words "not less than five thousand dollars," so that said section when so amended, shall read as follows: Section 4. The treasurer before entering upon the duties of his office, shall execute to such corporation, and file with the secretary, a bond conditioned for the faithful discharge of the duties of his office, with two or more sureties, in such sum as the directors may order, such bond and sureties to be approved by the president and a majority of the directors.

Risks, when  
taken.

SECTION 5. Section 5 of said act is hereby amended by striking out the word "detached," and the words "hereinafter provided," and insert-

ing therefor the words, "may be provided in the constitution or by-laws," so that said section when so amended shall read as follows: Section 5. No such corporation shall insure any property out of the city or village, in which said corporation is located, except that by a resolution adopted by a majority of the members of said corporation at an annual meeting may vote to insure in other villages and cities of the county in which said corporation is located, and also in cities and villages of one adjoining county; and no such corporation shall insure any property other than dwellings, barns, stables and sheds, and the contents of such buildings, except as may be provided in the constitution or by-laws; but in no case shall the amount insured exceed two thousand dollars on any one risk.

SECTION 6. Section 6, of said act, is hereby repealed.

SECTION 7. Section 7 of said act is hereby amended by adding the words, "constitution and," so that said section when so amended shall read as follows: Section 7. Subject to the restrictions contained in this chapter, the board of directors may issue policies of insurance signed by the president and secretary, agreeing in the name of the corporation, to pay the insured all loss or damage of and to the property mentioned and described therein to the amount named therein, which may be occasioned by fire or lightning, within the period named in said policy, which in no case, shall be more than three years, and providing for such conditions of insurance as may be determined by the constitution and by-laws of such corporation, or by the resolutions of its annual meeting; and the said board of directors, or the corporation may classify the property insured at the time of issuing policies thereon, under different rates, corresponding as near as may be, to the greater or less risk from fire and loss which may attach to the several buildings or property insured. The board of directors, however, may delegate such authority to a committee of not less than three, at least two of whom shall be directors.

Policies, how issued and to whom.

SECTION 8. Section 8, of said act, is hereby amended by striking out all of said section after the words, "Section 8. Every person to whom

Members may be assessed.

any such policy is issued, shall be deemed a member of such corporation, while such policy is in force," and inserting in lieu thereof, the following: "And it shall be lawful for such corporation to require the payment of such initiation fees and dues, to make assessments upon its members and enforce the collection thereof, as circumstances may require, and as may be specified in its constitution and by-laws, or fixed by resolution, and the members thereof shall be subject to such other duties as may be prescribed by the by-laws of such corporation," so that said section when so amended shall read as follows: Section 8. Every person to whom any such policy is issued, shall be deemed a member of such corporation, while such policy is in force, and it shall be lawful for such corporation to require the payment of such initiation fees and dues, to make assessments upon its members and enforce the collecting thereof, as circumstances may require, and as may be specified in its constitution and by laws, or fixed by resolution, and the members thereof shall be subject to such other duties as may be prescribed by the by-laws of such corporation."

Compensation  
of committee  
of reference.

SECTION 9. Section 9 of said act is hereby amended by adding the words, "unless otherwise provided by the constitution or by-laws," and by striking out all the following of said section, to-wit: "The said committee of reference shall each be allowed the sum of two dollars per day, for each day's service so rendered, which shall be paid by the claimant, unless the award of said committee shall exceed the sum found justly due by the committee herein first provided for, in liquidation of such loss or damage, in which case such expense shall be paid by the corporation," so that said section 9, when so amended, shall read as follows: Section 9. "Unless otherwise provided by the constitution or by-laws, every member of such corporation who may sustain loss or damage by fire or lightning shall immediately notify the president of such corporation, or in his absence the vice president, or in the absence of both, the secretary thereof, who shall forthwith convene the directors of said corporation, whose duty it shall be to ap-

point a committee of not less than three nor more than five members of such corporation; except in case the loss is supposed to be less than three hundred dollars, in which case the president, or in his absence the vice-president and secretary may appoint such committee to ascertain the amounts of such loss or damage; provided, that the board of directors may appoint a committee of not less than three members of the corporation for the adjustment of all losses that may occur during the year and in case of the inability of the parties to agree upon the amounts of such loss or damage, the claimant may appoint one disinterested person on his part, and upon receiving notice from such claimant of such appointment, the president, or in his absence, the vice-president of the corporation, shall forthwith appoint a member of such corporation, and the two persons so appointed shall forthwith proceed to appoint a third person who shall be disinterested, and the three persons so appointed shall constitute a committee of reference, who shall have authority to examine witnesses and to determine all matters in dispute, and who, within thirty days after their appointment, shall make their award to said corporation, and file the same with the secretary thereof, which award shall be final."

SECTION 10. Section 10, of said act, shall be amended by adding the words "unless otherwise provided by the constitution or by-laws," so that said section, when so amended, shall read as follows: Section 10. "Whenever the amount of any loss so ascertained shall exceed the amount of the cash funds of the corporation, unless otherwise provided by the constitution or by-laws, the president, or in his absence, the vice president shall convene the board of directors, who shall make an assessment upon all property insured by such corporation, in proportion to the amount thereof, and the rate under which it may have been classified, sufficient at least to pay such loss; provided, however, that such board of directors shall be authorized, if it sees fit to do so, to assess up to four mills, even if such loss should not require such an amount, and whenever such an assessment shall have been completed, the secretary shall immediately cause to be published for

Assessment to pay losses.

three consecutive weeks, in such weekly newspaper, printed within said city or village, if there be one, otherwise in such newspaper as is printed within the county, as the board of directors may designate, a notice stating therein the time when such assessment was levied and the time when the same becomes due, which notice shall in any court of this state be conclusive evidence of notification of such assessment; and within five days after the levying of such assessment the secretary shall notify every member of such corporation by letter or postal card sent to his usual post office address, of the amount of such assessment, and the sum due from him as his share thereof, and the time within which and to whom payment thereof is to be made, which time shall not be less than sixty nor more than ninety days from the date of such notice, as the board of directors may at the time of making such assessment have determined; and the treasurer or person designated to receive such money, may demand and receive two per centum, in addition to the amount of each such assessment, for his fees in receiving and paying over the same. Such assessment when collected, or so much thereof as may be required, shall be paid to the person entitled thereto, according to the terms of the policy issued to him; provided, that if any loss shall occur during the first eight months in any year, the board of directors may borrow money sufficient to pay such loss at a rate of interest not exceeding 7 per centum, and shall include the interest in the assessment and direct payment of such assessment to be made not later than the thirty-first day of December next following. If the assured neglect to make payment of any assessment within the time specified in the notice to be sent him by the secretary as hereinbefore provided, then his policy shall be null and void until such assessment is paid, and also his *pro rata* share of all other assessments which may be levied during the suspension of the policy on account of the non-payment of a previous assessment. Actions may be brought against any member of such corporation, who shall refuse or neglect to pay any assessment made upon his insured property under the provisions of this act, and the directors of any such corporation who shall willfully neglect

or refuse for thirty days to perform the duties imposed upon them by this or the next preceding section shall be jointly and severally liable in their individual capacity to the persons sustaining such loss.

SECTION 11. Section 11 of said act is hereby amended by striking out the words, "and paying his share of all claims then existing against said corporation," and inserting in lieu thereof the following: "and paying all dues and assessments which he may then owe said corporation," so that section 11, when so amended, shall read as follows: Section 11. "Any member of such corporation may withdraw therefrom by giving notice in writing to the secretary thereof, and paying all dues and assessments which he may then owe said corporation; and the directors, or a majority thereof, or such or so many of them as they may have appointed as a committee for such purpose shall have power to annul any policy by giving five days' notice in writing to that effect to the holder thereof."

Withdrawals,  
now made.

SECTION 12. Section 12 of said act is hereby amended by striking out the words, "the names of all persons insured, the amount insured by such policy," and by striking out the words, "a detailed statement of every item of expenses," so that said section when so amended shall read as follows: Section 12. "The secretary of every such corporation shall annually prepare a statement showing its condition on the thirty-first day of December preceding its annual meeting, which shall contain the whole number of policies issued, the whole number then in force, the aggregate amount then insured and the aggregate amount of losses paid by the corporation since its organization, the whole amount of losses sustained and unpaid, if any, and all such other matters pertaining to the interest of such corporation as by the by-laws he may be required to report upon. The treasurer of every such corporation shall annually prepare a statement of its financial condition on the thirty-first day of December next preceding its annual meeting, showing amount on hand January 1st preceding, amount received during the year from premiums, amount received from assessments, numbers, —, amount received from any other sources, amount paid for

Statements of  
condition, busi-  
ness, etc., to be  
filed with the  
city clerk and  
insurance com-  
missioner.

losses, amount paid for expenses, and amount of cash on hand and such other items as the by-laws may require. Such statements or so much thereof as said corporation at its annual meeting may by resolution or otherwise agree upon, shall be read to the members of such corporation at their annual meeting and entered at length upon the records, and within fifteen days after such annual meeting shall be filed in the office of the city or village clerk, or in case of a county company with the county clerk of said county and copies thereof certified by the secretary transmitted to the commissioner of insurance.

SECTION 13. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

SECTION 14. This act shall take effect and be in force from and after its passage and publication.

Approved April 17, 1891.

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No. 434, A.]

[Published April 30, 1891.

## CHAPTER 297.

AN ACT to authorize the electors of the Second ward of the city of Neenah to vote in the First ward of said city.

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

Electors of  
Second may  
vote in First  
ward.

SECTION 1. The qualified electors residing in the Second ward of the city of Neenah, in Winnebago county, Wisconsin, are hereby authorized and empowered to hold their voting and polling place in, and to cast their votes in the First ward of said city, for any and all elections hereafter to be held in said city.

SECTION 2. All acts or parts of acts in so far as they are in conflict with this act are hereby repealed.

SECTION 3. This act shall take effect and be in force from and after its passage and publication.

Approved April 17, 1891.