

is amended to read: (Section 1797m—1) 1. The term "public utility" as used in sections 1797m—1 to 1797m—109, inclusive, shall mean and embrace every corporation, company, individual, association of individuals, their lessees, trustees, or receivers appointed by any court whatsoever, and every town, village, or city that now or hereafter may own, operate, manage, or control any plant or equipment or any part of a plant or equipment within the state, for the conveyance of telephone messages or for the production, transmission, delivery, or furnishing of heat, light, water, or power either directly or indirectly to or for the public, or that now or hereafter may own, operate, manage, or control any toll bridge wholly within the state. *Provided, however, that in any municipality wherein a public utility is operated by said municipality and there is no other operating utility furnishing the same service, the railroad commission may, after a public hearing and determination that said municipally owned utility can not be operated profitably, authorize the making of a contract with any person, firm or corporation not a public utility, providing for the furnishing of light, power or electric current upon such terms and conditions as shall be approved by said railroad commission, without the vendor thereof becoming a public utility under this act.*

SECTION 2. This act shall take effect upon passage and publication.

Approved June 11, 1917.

No. 142, A.]

[Published June 14, 1917.]

CHAPTER 387

AN ACT to repeal subsections 3, 6 and 12 of section 1915m of the statutes, and to amend subsections 2 and 10 of section 1915m, and to create subsections 3, 6, 12, 13, 14 and 15 of section 1915m, relating to reciprocal or interinsurance contracts and exchanges.

The people of the State of Wisconsin, represented in Senate and Assembly, do enact as follows:

SECTION 1. Subsections 3, 6 and 12 of section 1915m of the statutes are repealed.

SECTION 2. There is added to section 1915m of the statutes six new subsections to read: (Section 1915m) 3. Such subscribers so contracting among themselves shall, through their attorney, file with the commissioner of insurance a declaration verified by the oath of such attorney, or where such attorney is

a corporation, by the oath of its duly authorized officers, setting forth:

(a) The name of the attorney and the name or designation under which such contracts are issued which name or designation shall not be so similar to any name or designation adopted by any attorney or by an insurance organization in the United States prior to the adoption of such name or designation by the attorney, as to confuse or deceive.

(b) The location of the principal office.

(c) The kind or kinds of insurance to be effected.

(d) A copy of each form of policy, contract or agreement under or by which insurance is to be effected.

(e) A copy of the form of power of attorney under which such insurance is to be effected.

(f) That applications have been made for indemnity or insurance upon at least one hundred separate risks aggregating not less than one and one-half million dollars represented by executed contracts or bona fide applications to become concurrently effective; or in case of employers' liability or workmen's compensation insurance, covering a total pay roll of not less than two and one-half million dollars.

(g) That there is in the possession of such attorney assets amounting to not less than the sum required by subsection 6 of this section.

(h) A financial statement in form prescribed for the annual statement.

(i) The instrument authorizing service of process as provided for in this section.

6. The attorney in fact shall have on hand at all times assets in cash or securities authorized by the laws of the state in which the principal office of the exchange is located for the investment of funds of insurance companies doing the same kind of business an amount equal to one hundred per cent of the net unearned premiums or deposit collected and credited to the account of subscribers, or fifty per cent of the net annual advance premium or deposits collected and credited to the account of subscribers on policies having one year or less to run, and pro rata on those for a longer period. In addition to the foregoing sum there shall be on hand at all times in cash or such securities assets equal to all liabilities on account of outstanding losses and other accrued obligations of such exchange. Net premiums or deposits as used in this section shall be construed to mean the advance payments made by subscribers before deducting there-

from the amount provided in the subscriber's agreement for expenses. If at any time the assets on hand are less than the foregoing requirements or less than one hundred thousand dollars, whichever is the greater when the attorney in fact is exchanging contracts covering employers' liability or workmen's compensation insurance, the subscribers or their attorney in fact for them shall make up the deficiency within thirty days after notice from the commissioner of insurance so to do. Whenever such assets are less than the amount above required, or less than fifty thousand dollars, whichever is the greater, if the attorney in fact is exchanging contracts other than those covering employers' liability or workmen's compensation insurance, the subscribers or their attorney in fact for them shall make up the deficiency within thirty days after notice from the commissioner of insurance so to do. No obligation for borrowed money shall be incurred on behalf of any exchange.

12. The attorney in fact may purchase reinsurance upon the risk of any subscriber at the exchange. No attorney in fact shall, however, grant reinsurance upon any risk or risks insured by any other insurance carrier. Any exchange operating in this state may however consolidate with or reinsure its entire business in another exchange. If the principal office of any exchange entering into such contract of consolidation or reinsurance is located in this state the contract for such consolidation or reinsurance shall be submitted to and approved by the commissioner of insurance of this state before being effective.

13. Failure of the attorney to file the appointment required in subsection 4 of section 1915m or failure on the part of any subscriber to authorize the attorney to do so shall not invalidate any service made by serving upon the commissioner of insurance. By accepting a license to transact business in this state every such attorney in fact and each of the subscribers shall be held to have appointed the commissioner of insurance the agent and attorney for each of them to accept service of summons or other process and such authority shall continue so long as any liability remains unsatisfied against any of such members on any contract or contracts issued by such attorney. Any judgment recovered in any action where the summons or other process has been served upon the commissioner of insurance shall be binding upon each of the subscribers at such exchange the same as if personal service was had upon each of such subscribers.

14. Subdivision (g) of subsection 3 and subsection 6 of sec-

tion 1915m shall not apply to any attorney in fact or subscriber holding a certificate of authority from the commissioner of insurance of this state when this act is passed until the first day of July, 1917.

15. Except as herein provided, no law relating to fire insurance shall apply to reciprocal or interinsurance contracts or the execution thereof.

SECTION 3. Subsections 2 and 10 of section 1915m of the statutes are amended to read: 2. Such contracts may be executed by an attorney, agent or other representative herein designated attorney duly authorized and acting for such subscribers. *A corporation duly authorized by its charter so to do may act as such attorney.*

10. Each attorney, by or through whom are issued any policies of or contracts for indemnity of the character referred to in this section, shall procure from the commissioner of insurance annually a certificate of authority stating that all the requirements of this section have been complied with, and upon such compliance and the payment of the fees required by this section, the commissioner of insurance shall issue such certificate. In case of a breach of any of the conditions imposed by * * * law, the commissioner of insurance may revoke the certificate of authority issued hereunder.

SECTION 4. This act shall take effect upon passage and publication.

Approved June 11, 1917.

No. 199, A.]

[Published June 14, 1917.

CHAPTER 388

AN ACT to amend section 3327a of the statutes, relating to the form of contracts and bonds and the approval thereof and actions thereon, for work or labor performed and materials furnished for the state or a county, city, village, town, school district or any public board or body.

The people of the state of Wisconsin, represented in Senate and Assembly, do enact as follows:

SECTION 1. Section 3327a of the statutes is amended to read: Section 3327a. All contracts involving one hundred dollars or more hereafter made or let for the * * * performance of any work or labor or furnishing any materials when the same pertains to or is for or in or about any public building, public improvement, public road, alley or highway, or any other public work of whatsoever kind of the state, or of any county, city, vil-