

No. 667, A.]

[Published August 2, 1957.

CHAPTER 448

AN ACT to amend 209.04 (6) (a); and to create 943.44 and 943.45 of the statutes, relating to fair trade practices in insurance, and providing penalties.

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

SECTION 1. 209.04 (6) (a) of the statutes is amended to read:

209.04 (6) (a) Any agent's license may be revoked for cause by order of the commissioner after a hearing held upon 10 days' written notice of the time and place thereof. *After such hearing so noticed the commissioner may revoke or suspend for at least one year the license of any agent for a violation of s. 943.44 or s. 943.45.*

SECTION 2. 943.44 and 943.45 of the statutes are created to read:

943.44 INVADING RIGHT TO CHOOSE INSURANCE BROKER BY PERSONS ENGAGED IN FINANCING. (1) Any person engaged in the business of financing the purchase of real or personal property or of lending money on the security of real or personal property, and any trustee, director, officer, agent or employe of any such person, who requires, or conspires with another to require, as a condition precedent to financing the purchase of such property or to loaning money upon the security of a mortgage thereon, or as a condition prerequisite for the renewal or extension of any such loan or mortgage or for the performance of any other act in connection therewith, that the person for whom such purchase is to be financed or to whom the money is to be loaned or for whom such extension, renewal or other act is to be granted or performed, negotiate any policy of insurance or renewal thereof covering such property through a particular insurance agent, shall be fined not less than \$50 nor more than \$200 or imprisoned not more than 6 months or both.

(2) It is the duty of every person engaged in such business and of every trustee, director, officer, agent or employe of any such person, when financing the purchase of such property or loaning money upon the security of a mortgage thereon, or renewing or extending any such loan or mortgage, or performing any other act in connection therewith, to advise the person for whom such purchase is to be financed or to or for whom the

money is to be loaned or for whom such extension, renewal or other act is to be granted or performed, that he is free to choose the insurance agent or insurer through which the insurance covering such property is to be negotiated.

(3) This section shall not be construed to prevent the reasonable exercise of any person so engaged, his trustee, director, officer, agent or employe of his right to approve or disapprove the insurer selected to underwrite the insurance or to determine the adequacy of the insurance offered.

943.45 INVADING OF RIGHT TO CHOOSE INSURANCE BROKER BY PERSONS ENGAGED IN SELLING PROPERTY. (1) Any person engaged in the business of selling real or personal property, and any trustee, director, officer, agent or employe of any such person, who requires, as a condition precedent to the selling of such property, or to the performance of any other act in connection therewith, that the person to whom such property is being sold, negotiate any policy of insurance or renewal thereof covering such property through a particular insurance agent, shall be fined not less than \$50 nor more than \$200 or imprisoned not more than 6 months or both.

(2) It is the duty of every person engaged in such business and of every trustee, director, officer, agent or employe of any such person so engaged, when negotiating the sale or selling any such property, to advise the person to whom the property is being sold that he is free to choose the insurance agent or insurer through which the insurance covering such property is to be negotiated.

(3) This section shall not be construed to prevent the reasonable exercise of any person so engaged, his trustee, director, officer, agent or employe of his right to approve or disapprove, on behalf of himself or his principal, the insurer selected to underwrite the insurance or to determine the adequacy of the insurance offered.

Approved July 24, 1957.