

CHAPTER 555

AN ACT to create 201.03 (10) of the statutes, relating to merger or consolidation of domestic town mutual insurance companies.

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

SECTION 1. 201.03 (10) of the statutes is created to read:

201.03 (10) Any mutual insurance corporation which has been or may be organized under this chapter may absorb by merger or consolidation any domestic town mutual insurance company, or wholly reinsure all of the risks of any such town mutual insurance company. To effect any such merger, consolidation or total reinsurance it shall be necessary:

(a) That the boards of directors of each of said corporations pass a resolution prescribing the terms and conditions of the proposed merger, consolidation or total reinsurance;

(b) That 2 certified copies of the resolution provided in par. (a) be filed with the commissioner of insurance by each of the companies and the commissioner shall within 10 days give his written approval or disapproval of the proposed merger, consolidation or total reinsurance to each of said companies. In case the commissioner disapproves such proposed merger, consolidation or total reinsurance he shall state his reasons therefor;

(c) That when the proposed merger, consolidation or total reinsurance is approved by the commissioner, a meeting of the policyholders of the town mutual insurance company shall be held on notice mailed to each of the policyholders of said company at least 30 days prior to the holding thereof, which notice shall embody a copy or the summary of the resolution adopted by the board of directors as provided in par. (a);

(d) That a two-thirds majority of the policyholders of said town mutual insurance company present at such meeting, by resolution, approve and ratify the action of their directors and vote to carry out the proposed merger, consolidation or total reinsurance. Within 10 days after the adoption of such resolution, 2 copies thereof, with the affidavit of the president and secretary showing compliance with the law, shall be forwarded to the commissioner by such town mutual insurance company. The procedure for certifying and recording of amendment of articles required by s. 202.01 (4) shall be followed by such corporation losing its identity as a result of such merger, consolidation or total reinsurance. Any merger, consolidation or total reinsurance of a domestic town mutual insurance company by or into any mutual insurance corporation organized under this chapter approved by a two-thirds vote of the members present at an annual or special meeting of the policyholders of the town mutual insurance company prior to July 1, 1961, and approved by the commissioner of insurance is hereby validated to the same effect as though accomplished in accordance with this section.

Approved October 2, 1961.