

Assembly Bill 620

Date published:
January 26, 1968

CHAPTER 309, LAWS OF 1967

AN ACT to renumber 211.14 (2); to amend 211.04 (1) and 211.14 (1) and (4) (a); and to create 211.14 (2) (b) of the statutes, relating to employe welfare funds and granting rule-making authority.

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

SECTION 1. 211.04 (1) of the statutes is amended to read:

211.04 (1) The commissioner may examine into the affairs *and actuarial status* of any employe welfare fund as often as he deems it necessary, and to that end he may establish regular programs of examinations of funds at such intervals as he determines.

SECTION 2. 211.14 (1) of the statutes is amended to read:

211.14 (1) The trustees of every employe welfare fund required to register under this chapter shall be responsible in a fiduciary capacity for all money, property, or other assets received, managed or disbursed by them, or under their authority, on behalf of such fund. *Trustees shall*

invest the funds of their trusts and shall manage fund affairs in accordance with provisions contained in the instruments under which they are acting, or in the absence of any such provisions, shall invest in accordance with ch. 320 and shall manage fund affairs in accordance with the judgment and care under the circumstances prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs. All payments due to or from every welfare fund subject to the provisions of this chapter shall be by check, bank draft, postal money order or other recognized written method of transmitting money or its equivalent.

SECTION 3. 211.14 (2) of the statutes is renumbered 211.14 (2) (a).

SECTION 4. 211.14 (2) (b) of the statutes is created to read:

211.14 (2) (b) No trustee shall invest any employe welfare fund moneys in any security, obligation, or other property from which the individual trustees of the fund, the employer company contributing to the fund or any of its officers or directors, any corporation controlled by the employer company or by its officers or directors through ownership of more than 50% of the outstanding stock, or the labor organization representing employes covered by the fund or any of its affiliates, or officers or employes of either, receive any part of the moneys invested unless the purchase price of such security, obligation or other property is reasonable, and unless an investment in any obligation is adequately secured. Adequate security shall be deemed to have been given if such obligation is registered on a national securities exchange or pursuant to the securities and exchange commission regulations or is of senior or substantially equal rank to a security registered on a national securities exchange or pursuant to the securities and exchange commission regulations. Nothing herein shall foreclose other means of providing adequate security.

SECTION 5. 211.14 (4) (a) of the statutes is amended to read:

211.14 (4) (a) Any person who willfully violates or fails to comply with any provision of this chapter or the rules or regulations promulgated thereunder or who *knowingly*, makes a false statement ~~or, a false~~ representation of a material fact, ~~knowing it to be false~~, or who ~~knowingly~~ fails to disclose a material fact in any registration, examination, statement or report required under this chapter or the rules or regulations promulgated thereunder, ~~shall~~ *may* be fined not more than \$5,000, or imprisoned not more than 5 years, or both.

Approved January 8, 1968.