

and regulations of the city service commission, to employ all janitors necessary in the schoolhouses of their city and to fix their compensation, but the principal of each school shall be custodian of all buildings and rooms occupied by the school over which he presides and shall have the general supervision over the same, and shall direct the janitor thereof in relation to the keeping and care of such buildings and rooms.

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

Approved April 3, 1917.

No. 343, S.]

[Published April 6, 1917.

### CHAPTER 60

AN ACT to create subsection (4) of section 10.36 of the statutes, relating to official city ballots.

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

SECTION 1. There is added to section 10.36 of the statutes a new subsection to read: (10.36) (4) The city clerk shall rotate on the official ballot the surnames of the candidates who are entitled to have their names placed thereon as provided in subsections (2) and (3) of section 5.11.

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

Approved April 3, 1917.

No. 8, S.]

[Published April 9, 1917.

### CHAPTER 61

AN ACT to amend section 1943b of the statutes, relating to boards of underwriters, and to create sections 1946—1 to 1946—18, inclusive, of the statutes, relating to fire insurance rate-making, prohibiting discrimination, and providing a penalty.

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

SECTION 1. Section 1943b of the statutes is amended to read: Section 1943b. No fire, fire and marine, or marine and inland insurance company or association, its agent or representative doing business in this state shall, either directly or indirectly, enter into any contract, agreement, combination or compact with any other such company or companies or its or their agents or representatives for the purpose of establishing and maintaining a fixed schedule or schedules of rates; \* \* \* *except such*

*agreements as are specifically authorized by statutes, or such as may be filed with and approved by the commissioner of insurance. Any such approval by the commissioner of insurance may be withdrawn at any time.*

SECTION 2. Eighteen new sections are added to the statutes to read: Section 1946—1. Every company or other insurer licensed to effect insurance against the risk of loss or damage by fire, lightning, windstorm, or sprinkler leakage in this state, shall be a member of a rating bureau. No such insurer shall be a member of more than one bureau for the purpose of making a rate on any class of risks for the same hazard.

Section 1946—2. A rating bureau, for the purpose of complying with the requirements of section 1946—1, may be organized by five or more insurers. Such bureau shall admit to membership, any licensed insurer applying for membership therein. The expenses of the bureau, incurred in connection with Wisconsin business, shall be borne by the companies, in proportion to the direct premiums received during the year from business written on property in this state, less return premiums and returns or dividends to policyholders on mutual or participating policies. A reasonable annual membership fee may also be charged. Each member of the bureau shall be entitled to one vote. Each class of companies or insurers, members of such bureau, shall have representation on its managing committee.

Section 1946—3. Every bureau rating risks located in Wisconsin shall maintain an office in this state.

Section 1946—4. Every bureau making rates on risks located in this state shall annually procure from the commissioner of insurance a license to carry on such business. The license year for such bureau shall be from February first to January thirty-first succeeding. Each bureau shall pay to the state, through the commissioner of insurance, an annual license fee of one hundred dollars, such fee to be paid at the time of filing application for license. The commissioner of insurance shall prescribe blanks and make needed regulations governing the licensing of bureaus. The license of any bureau may be revoked by the commissioner of insurance for failure to comply with the requirements of law or rulings of the department of insurance. Such revocation shall not take place until the bureau has had a hearing before the commissioner upon at least ten days' notice.

Section 1946—5. 1. Each bureau shall file with the commissioner of insurance, a copy of its articles of association, and its by-laws. It shall also file with the said commissioner, copies

of all contracts or agreements entered into with its members or subscribers. All regulations or rules of any such rating bureau, shall be filed with the commissioner of insurance, and no such regulations or rules shall be in force before such filing, nor, in any case, after a written order by the commissioner of insurance, disapproving such regulations or rules.

2. No regulation or rule shall be adopted which shall limit or prohibit the exercise, by any company, of its right to make a different rate, as provided in section 1946—9.

3. The commissioner of insurance may address inquiries to any individual or bureau, which is engaged in making rates, upon property in this state, in relation to its organization, maintenance or operation, or any other matter connected with its transactions. He may also require a resurvey of any risk or group of risks at any time, and also require the filing of schedules, written reports of surveys in individual cases, rates, forms, rules, regulations and other information; and it shall be the duty of every individual, association or bureau to comply promptly with his request.

Section 1946—6. The commissioner of insurance shall have the right to examine any rating bureau making rates on property located in this state as often as he deems it expedient to do so, and shall do so not less than once in every three years. The expense of examining a bureau shall be paid by the bureau. A report covering each examination shall be filed in the department of insurance. The commissioner of insurance may waive such examination upon a report of an examination made by another insurance department or supervising officer within a period of three years being filed with him.

Section 1946—7. Every rating bureau engaged in making rates on property located in this state shall inspect every risk specifically rated by it upon schedule, and shall make a written survey of such risk which shall be filed as a permanent record in the Wisconsin office of such bureau. Rates for insurance upon all property rated upon a flat rate basis shall also be filed in such office. Such survey shall show the base rate and also the charges and credits. A copy of such survey shall be furnished to the owner upon request. All such rates shall also be filed with the stamping office or offices to which reports of writings are made. Classifications of risks and rating schedules shall be uniform for all insurers and rating bureaus operating in this state.

Section 1946—8. No company or other insurer against the risk of fire, lightning, windstorm, or sprinkler leakage, and no

rating bureau shall fix or charge any rate for insurance upon property located in this state which is unreasonable or which discriminates unfairly between risks in the application of like charges and credits, or which discriminates unfairly between risks of essentially the same hazard and having substantially the same degree of protection.

Section 1946—9. Any company or other insurer may make a rate different from the bureau rate upon any class of risks. Every company or other insurer which determines to make a rate different from that made by the bureau, shall at least fifteen days in advance of the date on which such rate is to become effective, file with the Wisconsin office of the bureau of which it is a member, the stamping office to which it reports its writings, and the commissioner of insurance, a schedule showing such variation and the date upon which the varied rate is to be effective. Every such variation shall be uniform for all risks in the class for which the variation is made. If any insurer makes a lower rate on any class of property than that fixed by the rating bureau of which it is a member or subscriber, such rate shall not be increased by such insurer until one year has elapsed except when such increase is approved by the commissioner of insurance.

Section 1946—10. No discrimination shall be removed by increasing the rate at which any risk or class of risks is written after this act takes effect, unless it shall be made to appear to the commissioner of insurance that such rate was made by unintentional error or that an increase is justifiable and a certificate to that effect is made by the commissioner of insurance and filed in his office.

Section 1946—11. The commissioner of insurance shall have power, upon the written complaint of any person having a direct financial interest, or upon his own motion, to review any rate fixed by a bureau or insurer for insurance upon any risk or classification in this state, for the purpose of determining whether the same is unreasonable or discriminatory. If he shall find that the rate is discriminatory, he shall order the discrimination removed and a nondiscriminatory rate substituted. If he shall find that the rate is unreasonable, he shall establish a reasonable rate and by order require any bureau making a rate upon such risk or class of risks to fix a rate which shall not be higher than the rate so established by him. Any review of such rate or rates before the commissioner shall be upon due notice to the parties interested, and his findings or order shall be made after a hearing before him, and in all cases shall be subject to

summary review by the circuit court of Dane county. During such court review the operation of the commissioner's order shall be suspended, but in the event of final determination against any insurer, any overcharge made during the pendency of such proceedings shall be refunded to the person or persons entitled thereto. All written complaints under this section shall be verified, and may be upon information and belief of the person or persons complaining. The complaint shall show in substantial detail the grounds upon which it is based, and shall be sufficient to enable the commissioner to determine whether there is probable cause therefor. A copy of such complaint shall be served upon the company, bureau, or person against whom the complaint is directed, and each of such parties in interest shall be entitled to at least ten days' notice of any hearing thereon. An agent who has placed the business shall be deemed to have a direct financial interest under this section. If the investigation is upon the commissioner's own motion and results in a finding materially affecting any interest or practice of any bureau, insurance carrier, or agent or representative of either, a copy of such finding shall be served upon the person or organization affected, and he or it shall be entitled to a hearing thereon before the commissioner, if such hearing is requested within ten days from the date of service. No order or finding of the commissioner, made as a result of an investigation upon his motion, shall be effective until the expiration of the time within which a request for a hearing may be made. Any finding or order of the commissioner in an investigation upon his own motion shall be subject to court review the same as if made after hearing upon complaint as herein provided.

Section 1946—12. Every company or other insurer shall, in its annual application for license, specify each rating bureau, making rates upon property located in this state, of which it is a member or to which it is a subscriber, and during the year shall give written notice to the commissioner of insurance as to any other rating bureau of which it may become a member or to which it may become a subscriber or from which it has withdrawn.

Section 1946—13. All companies or other insurers subject to this act shall maintain in this state a "stamping office," which shall be under the management of a "chief examiner." The expense of such office shall be equitably apportioned between the companies and insurers reporting thereto on the basis of direct receipts from business written in this state less return premiums and returns or dividends to policy holders. All of the writings

of such companies and insurers upon property located in this state shall be reported to said stamping office when the insurance is placed. The stamping office shall be subject to visitation and examination by the commissioner of insurance. The "chief examiner" of such stamping office shall furnish to the commissioner of insurance, upon request, information regarding any of the work or activities of such office. No employe of such office shall disclose any fact as to any business reported thereto except in compliance with law.

Any violation of the provisions of this act shown by reports of writings made to the stamping office shall be brought to the attention of the agent and company writing such business, with a direction that the violation be corrected within a period not exceeding fifteen days and satisfactory proof of the correction given to the said office. Any violation not corrected and reported to the stamping office within the time required by it, shall be reported at once to the commissioner of insurance by the "chief examiner" of such office. Such office shall keep no record of the name of the assured, the property covered, or the date of commencement or expiration of the policy except in case of a report showing a violation of this act. When such violation is finally disposed of by correction or by order of the commissioner of insurance, such record shall be destroyed. In the management of such office each company or other insurer shall be entitled to one vote.

Mutual companies, Lloyds and interinsurers, or any of them, may organize and operate a separate stamping office, subject to all the provisions of this section.

Section 1946—14. Until a new bureau rate is made, the rates or estimates for rates published and in force on the taking effect of this section, for companies which are members of a bureau, shall be the bureau rates for such bureau; provided that the rate which is being charged by any company upon any risk on the taking effect of this section shall be the bureau rate as to such risk for such company and for any other company electing to accept the same until a new rate is made; provided also that prior to a resurvey by the bureau of any risk specifically rated, no company shall charge any other rate upon any risk than that charged on a policy in force upon such risk on the taking effect of this section except as specifically authorized by this section; and provided, also, that where a flat rate has been made upon a risk which is lower than the rate being charged in any policy in force on the taking effect of this section the flat rate shall in such case be the bureau rate. Any rate referred to in this section may be changed by an order of the commissioner of insurance.

Section 1946—15. Any rider attached to a policy of any insurer subject to this act, which permits an increase of the hazard not contemplated in the bureau rate in effect for such risk, shall be charged for at a rate fixed by the rating bureau. All riders affecting hazards for which no charge is to be made shall, before being used in this state, be filed with and approved by the commissioner of insurance.

Section 1946—16. 1. The commissioner of insurance shall establish and file in his office, a classification of risks for fire insurance. On or before the first day of January, 1919, every such rating bureau, shall classify every risk rated by it upon schedule, according to such classification, as fixed and ordered by the commissioner of insurance. Thereafter, the classification number shall be written or stamped upon the survey of every risk rated by such bureau. The bureau, when quoting a rate upon any risk, shall give the classification number for that risk. Every fire insurance company, insuring any risk, shall enter the proper classification number upon each daily report or other report or document relating to the insurance.

2. Every fire insurance company or other insurer, shall compile and file with the commissioner of insurance, annually, under regulations prescribed by him, a statement of the net amount of insurance written, the net premiums received and the net losses paid, for each class in this state. All such data shall be preserved as permanent records in the office of the commissioner of insurance. The details of the statement of individual companies shall not be made public.

Section 1946—17. Any company or other insurer, rating bureau, stamping office, agent, or other representative of any company or other insurer, stamping office, or rating bureau failing to comply with or guilty of a violation of any of the provisions of section 1943b or sections 1946—1 to 1946—18 or of any order or ruling of the commissioner of insurance made hereunder, shall be punished by a fine of not less than fifty nor more than five hundred dollars. In addition thereto, the license of any fire insurance company or other insurer, bureau, agent, or broker, guilty of such violation may be revoked or suspended by the commissioner of insurance.

Section 1946—18. The provisions of this act shall not apply to town mutual companies.

SECTION 3. This act, with the exception of sections 1943b and 1946—14, shall take effect ninety days after passage and publication. Sections 1943b and 1946—14 of the act shall take effect upon passage and publication.

Approved April 6, 1917.