

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

SECTION 1. A new subsection is added to section 87.05 of the statutes to read: (87.05) (2m) Where any intrastate bridge is built across a bay of any of the Great Lakes, the county in which it is located may, by vote of its county board, participate in the management and share a part of the cost of the operation of such bridge under an agreement made with the municipality wherein the bridge is located. Maintenance under subsection (2) of this section shall in the case of any such bridge be deemed to include repair or reconstruction necessitated by any accidental damage done to such bridge by vessels using such bay, or some other catastrophe, in which event the highway commission may use for such repair or reconstruction moneys available for the construction of such bridges.

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

Approved June 30, 1931.

No. 943, A.]

[Published July 7, 1931.

### CHAPTER 437.

AN ACT to repeal sections 203.32 to 203.49; and to create sections 203.32 to 203.495 of the statutes, relating to fire insurance rate.

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

SECTION 1. Sections 203.32 to 203.49 of the statutes are repealed.

SECTION 2. Nineteen new sections are added to the statutes to be numbered and to read: 203.32 MUNICIPAL GRADING. (1) The commissioner of insurance shall file in his office the uniform standard grading schedule of public fire protection for each city, village and town in this state.

(2) All municipalities in this state shall be graded and classified according to such uniform standard grading schedule. Any municipality aggrieved by its grading may file a complaint with the commissioner of insurance who, after investigation and a public hearing, may order such grading altered to conform to such standard grading schedule.

**203.33 INSURER TO MAINTAIN ACTUARIAL BUREAU.** Every insurer, except as specified in section 203.49, licensed to insure against loss by fire, lightning, windstorm, or sprinkler leakage, shall maintain an actuarial bureau or be a member of an actuarial bureau. No such insurer shall be a member of more than one actuarial bureau for the purpose of writing insurance on the same class of risks. Every insurer, in its annual application for its license, shall specify each actuarial bureau or bureaus of which it is a member, and during the year shall give written notice to the commissioner as to any other actuarial bureau of which it shall become a member or from which it has withdrawn.

**203.34 ACTUARIAL BUREAU; ORGANIZATION, EXPENSES, NAME, AGREEMENTS PROHIBITED.** Actuarial bureaus may be organized by any insurer or group of insurers for the purpose of inspection, rating risks, making underwriting rules, fire prevention rules, fire protection rules, auditing rates and forms, tabulating experience and such other duties and activities as are usually performed by actuarial or inspection bureaus. No insurer shall enter into any agreement with any actuarial bureau or any other insurer which will have the effect of prohibiting the filing of a deviation under section 203.41. An actuarial bureau may consist of one or more insurers and when consisting of two or more insurers shall admit to membership on an equal basis any authorized insurer. Such bureaus shall have their offices in Wisconsin. The expenses of any such bureau shall be borne by the members thereof in proportion to the direct premiums received during the year from business written on property in this state, less return premiums and returns on dividends to policyholders on mutual or participating policies. A reasonable annual membership fee may be charged. The name of any such bureau shall be approved by the commissioner and shall in no way indicate that it is an official state bureau. Each member shall be entitled to one vote. Each bureau shall annually elect a managing committee which shall direct and conduct the business of the bureau, and each member of the managing committee shall hold office until the next annual meeting and until a successor is chosen. If there are any participating insurers in any bureau said participating insurers shall be entitled to at least one member of the managing committee. If there are as many as eight persons on the managing committee at least two shall be chosen by participating insurers in said bureau.

Any member of said managing committee may, in case of disability, act by proxy. Such committee shall hold a meeting at least once a year in the city where the actuarial bureau has its office. No meeting of the managing committee shall be held without reasonable notice to each member of the committee.

**203.35 ACTUARIAL BUREAUS, LICENSE, ORGANIZATION, FILING INFORMATION, EXAMINATION.** (1) Each actuarial bureau shall annually procure from the commissioner a license to conduct its business. The license year shall be from February first to January thirty-first succeeding. Each bureau shall pay to the state, through the commissioner, an annual license fee of one hundred dollars, such fee to be paid at the time of filing application for license. The commissioner shall prescribe blanks and make needed regulations governing the licensing of bureaus. Every actuarial bureau shall file with the commissioner its articles of organization, by-laws, rules and regulations governing its members, agreements and understandings governing its members, and shall promptly file written answers to any inquiry of the commissioner with reference to its organization, maintenance, operation, or any matter connected with its transactions.

(2) The commissioner shall have the power to examine any such actuarial bureau as often as he deems it expedient to do so, and a report of such examination shall be filed in his office. The expenses of examining a bureau shall be paid by the bureau.

**203.36 RATING, SCHEDULES AND UNDERWRITING RULES TO BE FILED.** (1) A copy of all rating schedules and underwriting rules promulgated or used by any actuarial bureau shall be filed with the commissioner of insurance. The rating schedules shall include the basis rate and charges and credits on each schedule of rates including fire grading classification.

(2) Any clause attached to a policy of any insurer subject to sections 203.32 to 203.495 which permits an increase of a hazard or extension of coverage not contemplated in the bureau rate in effect for such risk, shall be charged for at a reasonable rate fixed by the actuarial bureau.

**203.37 RATES AND RULES TO BE REASONABLE.** (1) All schedules of rates and all underwriting rules promulgated or used by any actuarial bureau shall be reasonable, fair to the insured and the insuring public, and shall not discriminate unfairly

between risks of essentially the same hazard and regional classification. Regional classification shall be reasonable, and no regional classification shall be made unless it includes at least ten adjoining and adjacent counties in this state and is first approved by the commissioner of insurance. Justification of any rating schedule or underwriting rule shall rest with the actuarial bureau or insurers as the case may be.

(2) The terms "reasonable rate, regulation or rule," shall apply to the business as a whole and all information available to the commissioner shall be considered.

**203.38 CHANGES IN BASIS RATES AND RULES; PUBLIC HEARINGS.** When any general change in basis rates of rating schedules, or underwriting rules is filed, the commissioner shall immediately notify the public and every insurance company subject to sections 203.32 to 203.495 of the intent, purport, and effect of such proposed changes. Upon his own motion or at the request of any interested party, a public hearing or hearings shall be held not less than ten days after any change has been filed. The commissioner shall either approve or issue an order of disapproval not less than three days after the termination of such hearings; provided, that if no public hearing be so held or such change disapproved, the same shall become effective ten days after the filing thereof. No rate, rating schedule, or rule disapproved by the commissioner shall thereafter be used by any actuarial bureau.

**203.39 COMMISSIONER TO REVIEW AND ORDER CHANGES.** The commissioner of insurance upon verified complaint of any person having a direct financial interest or any political subdivision of the state, shall, or upon his own motion, may review any rate or underwriting rule, and he shall, after a hearing, order a change in any rate or disapprove any underwriting rule if he finds such rate or rule to be unreasonable, unfair to the insured or the insuring public, or unfairly discriminatory. The hearing before the commissioner shall be upon reasonable notice to all interested parties, provided that the hearing upon complaint shall be within thirty days after such complaint has been filed. Any complaint to the commissioner shall be sufficient to enable the commissioner to determine whether there is probable cause therefor, and a copy thereof shall accompany the notice of hearing. No order shall be effective until such hearing has been had, and shall be issued within ten days after the termination of

the hearing. The pendency of a review of any order of the commissioner authorized in section 200.11, or of court proceedings shall suspend such order, but in the event of final determination against any insurer, any over-charge made during the pendency of such proceedings shall be refunded. The burden of proof in any court proceeding shall rest upon the party, insurer or bureau appealing from any order of the commissioner.

**203.40 COMMISSIONER UPON COMPLAINT TO ORDER RE-RATING.** The commissioner shall have power, upon the written complaint of any policyholder having a direct financial interest, or upon his own motion, to order the re-rating of any risk or class of risk at any time. If he shall find that any rate was not properly made according to the filed schedules or that the survey did not include all of the proper charges and credits, he shall immediately order the corrected rate to be put into effect. For the discharge of his duties under this section the commissioner shall employ a qualified rater in his department.

**203.41 DEVIATIONS FROM ANY BUREAU RATES.** Any insurer may file a deviation upon any class of risk from the rates or any underwriting rule established by the actuarial bureau of which it is a member. Every insurer who determines to file any deviation shall at least five days before its effective date, file with the actuarial bureau of which it is a member and the commissioner, a copy of the deviation showing such variation and the date upon which it is to be effective. Any deviation of a rate shall be by a percentage increase or decrease if on specifically rated risks, and in all cases, including specifically rated risks and others, the deviation shall be reasonable and uniform in its application to all risks of the same class and regional classification, and unless a change is authorized by the commissioner of insurance, shall be effective for at least one year.

**203.42 FILINGS TO BE OBSERVED.** All rates and underwriting rules promulgated by any actuarial bureau or insurer, shall be filed with the commissioner and no insurer or its agent shall intentionally charge a different rate or use a different underwriting rule than that which has been filed with the commissioner, either directly or by an actuarial bureau, of which such insurer is a member.

**203.43 DAILY REPORTS TO BE AUDITED.** All of the writings, endorsements thereto, and cancellations of insurers sub-

ject to sections 203.32 to 203.495 upon property located in this state, shall immediately be reported to the actuarial bureau of which such insurer is a member. Any violation by an insurer or its agent of the filings made by it, or on its behalf, shall be brought to the attention of the agent and the insurer writing such business, with the direction that the violation be corrected within a period not exceeding thirty days, and satisfactory proof of correction given to said actuarial bureau. Any violation not corrected and reported to the actuarial bureau, within the time required by it, shall be reported to the commissioner. The commissioner shall within ten days after having received notice of such violation, issue an order requiring the agent and insurer to make the correction.

203.44 SURVEY OF RISKS; COPY TO OWNER. Every risk specifically rated upon schedule by a bureau or insurer, shall be inspected, and a written survey of such risk shall be made which shall be filed in its office. Such survey shall show the basis rate and also the charges and credits. A copy of such survey or rate make-up shall be furnished the owner of property upon request. Rates for insurance upon all property rated upon a flat rate basis, shall also be filed in such office.

203.45 COMMISSIONER TO DIRECT COMPILING OF EXPERIENCE. The commissioner, after conference with the insurers, the actuarial bureaus subject to this act, and the advisory committee, shall establish and maintain in his office, a standard classification of fire risks for all fire insurance business written in this state. No change in such classification, shall be made by the commissioner, until after conference with the actuarial bureaus and the advisory committee. Each actuarial bureau, shall classify each risk written according to such classification, including the standard fire protection grading schedule applicable thereto. Thereafter, every bureau shall stamp upon the daily report of each policy, the classification of the risks covered thereby, according to such classification and grading. Every insurer shall keep a record of the total insurance written, and the gross premiums received for direct insurance, less return premiums and cancellations according to such classification and grading. Business written at a deviation from rates promulgated by an actuarial bureau, shall be resolved into premiums based on actuarial bureau rates. There shall also be compiled by every insurer, a record of the actual losses incurred by such insurer according to such classification and grad-

ing. Annually, every insurer shall file with the commissioner, and with the actuarial bureau of which it is a member, its Wisconsin underwriting experience, in accordance with the classification and grading herein provided. Such data, shall be kept, and reports made in such manner and on such forms, as may be prescribed and furnished by the commissioner of insurance. The details of the underwriting experience of individual insurers, shall not be made public, but the commissioner in his annual report, shall include a summary of all such classified underwriting experience.

**203.46 PRESENT RECORDS TO BE AVAILABLE, PRESENT BUREAUS AUTHORIZED.** (1) The commissioner may require any actuarial bureau or insurer, to furnish him with information relative to its rules, regulations, rates, or underwriting experiences in existence at the time this section takes effect.

(2) Actuarial or rating bureaus organized and operating under the provisions of former sections 203.32 to 203.49 may operate under the provisions of the new sections 203.32 to 203.495 subject, however, to all of the provisions of these new sections.

(3) All municipal grading rules, rates, and regulations in force at the time of the taking effect of this section, which are not in conflict with sections 203.32 to 203.495, shall remain in force until changed.

**203.47 ADVISORY COMMITTEE.** An advisory committee, consisting of seven members, shall be appointed by the governor to confer with the commissioner, for the purpose of discussing and considering the problems affecting the regulation of fire insurance. The term of office for each member of the committee shall be four years; provided, that of those first appointed, three shall be appointed for two years, and four for four years. The committee shall meet not less than three times a year, subject to the call of the commissioner, who shall act as chairman ex-officio. The committee shall act only in an advisory capacity, and its members shall consist of one municipal authority in charge of fire protection, one manufacturer, one policyholder, one lawyer, one fire insurance agent, one officer of a stock fire insurance company, and one officer of a mutual fire insurance company. Each member of the committee, shall be reimbursed his actual and necessary expenses, but shall receive no compensation for his services.

**203.48 PENALTY FOR VIOLATION.** Any insurer, actuarial bureau, agent, or other representative of any insurer or

actuarial bureau, failing to comply with, or guilty of a violation of any of the provisions of sections 203.32 to 203.495, or of any order of the commissioner made hereunder, shall be punished by a fine of not less than fifty dollars, nor more than five hundred dollars. In addition thereto, the license of any insurer, actuarial bureau, or agent, guilty of such violation, may be revoked or suspended, by the commissioner.

203.49 EXEMPTIONS. The provisions of sections 203.32 to 203.495, shall not apply to town mutual companies, nor to domestic mutual cyclone insurance companies operating on the assessment plan, nor to contracts for automobile insurance, nor to the rolling stock of railroads or property in transit while in the possession of railroad companies or other common carriers, nor on the property of such common carriers used or employed by them in their business of carrying freight, merchandise or passengers.

203.495 SEPARABILITY OF PROVISIONS. If any provision of sections 203.32 to 203.495, or the application thereof to any person or circumstance, is held invalid, the remainder of the chapter, and the application of such provision to other persons, or circumstances, shall not be affected thereby. Should section 203.37, be held unconstitutional, section 203.39 of the statutes of 1929, shall remain in effect as though not repealed, and if section 203.39 be held unconstitutional, section 203.42, of the statutes of 1929, shall remain in effect as though not repealed.

SECTION 3. This act shall take effect on July 1, 1931.

Approved June 30, 1931.

No. 947, A.]

[Published July 7, 1931.

### CHAPTER 438.

AN ACT to amend subsection (1) of section 289.16 and subsection (1) of section 289.53 of the statutes, relating to liens for insurance premiums.

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

SECTION 1. Subsection (1) of section 289.16 and subsection (1) of section 289.53 of the statutes are amended to read: (289.16) (1) All contracts involving one hundred dollars or more hereafter made or let for the performance of any work or labor