

SECTION 1. All the right, title and interest of the state of Wisconsin in and to the land along and adjacent to the shore of Lake Michigan and partly submerged, constituting the bed of Lake Michigan on the eastern boundary of the city of Manitowoc and extending into Lake Michigan for seventeen hundred feet out from the east line of South Lake street in said city and extending from the harbor entrance south to Green street, is hereby granted and ceded to the city of Manitowoc to be held and used by such city for public slips, basins, docks, wharfs, structures, roads, highways, railroads and railways, and shipping terminals, and lake and railway facilities and spurs for shipping.

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

Approved June 28, 1933.

No. 51, S.]

[Published July 1, 1933.

### CHAPTER 344.

AN ACT to amend and revise Chapter 208 of the Statutes, relating to fraternal benefit societies.

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

SECTION 1. Subsections (1) and (2) and paragraph (a) of subsection (3) of section 208.01 of the statutes are amended to read:

#### 208.01 FRATERNAL BENEFIT SOCIETIES DEFINED.

(1) Any corporation, society, order or \* \* \* association, without capital stock, organized and carried on solely for the mutual benefit of its members or their beneficiaries \* \* \* and having a lodge system with ritualistic form of work and representative form of government, and which makes provision for the payment of death or disability benefits \* \* \* or for both \* \* \* is hereby declared to be a \* \* \* "*Mutual Benefit Society*," which shall be held to be synonymous with a \* \* \* "*Fraternal Benefit Society*." Domestic societies licensed to do business in this state as \* \* \* *mutual* benefit societies on the first day of May, 1911, shall be considered within this subsection.

(2) Any such society having a supreme governing \* \* \* body \* \* \* and subordinate lodges or branches, \* \* \* into which members shall be elected, initiated \* \* \* and admitted in accordance with its constitution, laws, rules, regulations and

prescribed ritualistic ceremonies, which \* \* \* lodges or branches \* \* \* *are* required by \* \* \* *its* laws \* \* \* to hold regular \* \* \* meetings, \* \* \* shall be deemed to be operating on the lodge system.

(3) \* \* \* Any such society shall be deemed to have a representative form of government \* \* \* *if it* provides \* \* \* a supreme \* \* \* governing body \* \* \* composed of representatives elected \* \* \* by the members or by delegates elected \* \* \* by the members, together with such other members as may be prescribed by its constitution and laws: \* \* \* Provided \* \* \* the elective members shall constitute a majority \* \* \* and have not less than two-thirds of the votes nor less than the votes required to amend its constitution and laws; and \* \* \* provided \* \* \* the meeting of the supreme \* \* \* governing body and the election of officers, representatives or delegates shall be held as often as once in four years.

SECTION 2. Paragraphs (b) and (c) of subsection (3) of section 208.01 of the statutes are renumbered section 208.02 and are amended to read:

208.02 PROXIES, MAIL VOTING. \* \* \* *No* \* \* \* *mutual* benefit society shall \* \* \* *permit voting* by proxy, *but may provide* \* \* \* for voting by mail.

SECTION 3. Subsections (4) and (5) of section 208.01 are renumbered section 208.03 and are amended to read:

208.03 LAWS APPLICABLE. \* \* \* Unless express reference is made \* \* \* *thereto*, no *insurance* law \* \* \* shall \* \* \* apply to \* \* \* societies which admit to membership only persons engaged in one or more hazardous occupations in the same or similar lines of business and their immediate families and dependents; \* \* \* nor to an association of local lodges of a society \* \* \* doing business in this state *on May 27, 1911*, which provides \* \* \* death benefits not exceeding three hundred dollars to any one person \* \* \* *or* \* \* \* disability benefits not exceeding three hundred dollars in any one year to any one person \* \* \* or both; \* \* \* nor to any contracts of reinsurance \* \* \* on such plan; \* \* \* nor to domestic societies which limit their membership to the employes of \* \* \* a particular \* \* \* *municipality* \* \* \* *or* \* \* \* *one* designated \* \* \* *employer*; \* \* \* nor to domestic lodges, orders or associations of a purely religious, charitable and benevolent description, which do not provide \* \* \* for a death benefit

\* \* \* exceeding three hundred dollars \* \* \* or for disability benefits of more than one hundred and fifty dollars to any one person in any one year. \* \* \* But \* \* \* any such order or society, *except societies which admit to membership only persons engaged in one or more hazardous occupations in the same or similar lines of business and their immediate families and dependents*, which \* \* \* has more than five hundred members \* \* \* and provides for death or disability benefits \* \* \* or \* \* \* which issues \* \* \* a certificate providing for the payment of benefits \* \* \* shall \* \* \* comply with all the requirements of \* \* \* law relating to \* \* \* *mutual* benefit societies.

SECTION 4. Subsection (5a) of section 208.01 of the statutes is renumbered section 208.04 and is amended to read:

208.04 MEMBERS LIMITED TO ONE EMPLOYER, REPORTS. \* \* \* A domestic *mutual benefit* society having more than five hundred members, and which limits its membership to employes of a designated \* \* \* *employer*, shall in lieu of the report required by \* \* \* section \* \* \* 208.31, file, annually, with the commissioner \* \* \* a verified report showing the number and amount of liabilities paid during the year; the total income, from what source *derived* and the disposition thereof; the salaries paid to officers; the number of members at the beginning and the end of the year; and the amount and character of its assets.  
\* \* \*

SECTION 5. Subsection (6) of section 208.01 of the statutes is renumbered section 208.05 and is amended to read:

208.05 INFORMATION TO COMMISSIONER. \* \* \* The commissioner \* \* \* may require from any society *mentioned in section 208.03* such information as will enable him to determine whether such society is exempt from the provisions of the laws relating to insurance or to \* \* \* *mutual* benefit societies.

SECTION 6. Subsection (8) of section 208.01 of the statutes is renumbered section 208.06 and is amended to read:

208.06 OLD SOCIETIES. \* \* \* Any \* \* \* *mutual* benefit society \* \* \* organized \* \* \* *prior to May 27, 1911, and* providing for benefits in case of death or disability resulting solely from accidents, \* \* \* but which does not obligate itself to pay death or sick benefits, may be licensed under \* \* \* *this chapter*, and shall have all the privileges and shall be

subject to all the provisions and regulations of \* \* \* *this chapter*, except that the provisions \* \* \* *thereof* requiring medical examinations, valuations of benefit certificates, and that the certificate shall specify the amount of benefits, shall not apply to such society.

SECTION 7. Subsection (9) of section 208.01 of the statutes is renumbered section 208.07 and is amended to read:

208.07 WHAT LAWS APPLY. \* \* \* Unless express reference is made to this \* \* \* *chapter* or unless expressly designated, \* \* \* no law \* \* \* shall apply to any *mutual* \* \* \* benefit society. \* \* \*

SECTION 8. Subsection (10) of section 208.01 of the statutes is renumbered section 208.08 and is amended to read:

208.08 ASSESSMENT DEFINED. \* \* \* The word "assessment" as used in any law applicable to any \* \* \* *mutual* benefit society \* \* \* shall mean that the usual method employed \* \* \* to meet its death losses is by assessments upon its \* \* \* members, or that the amount estimated or required to meet such losses shall not be limited to a fixed sum. \* \* \*

SECTION 9. Subsections (1) and (2) of section 208.02 of the statutes are renumbered subsections (1) and (2) of section 208.09 ADMISSION TO MEMBERSHIP; BENEFITS ON LIVES OF CHILDREN; CONTRIBUTIONS FOR SAME, RESERVES, CHANGE OF BENEFICIARIES, and are re-enacted.

SECTION 10. Subsection (5) of section 208.02 of the statutes is renumbered section 208.10 and is amended to read:

208.10 BENEFICIARY. \* \* \* Any member. \* \* \* may name as his beneficiary any person \* \* \* permitted by the laws of such society, \* \* \* *including* his estate. Any member may change \* \* \* *his* beneficiary \* \* \* without the consent of such beneficiary, by complying with the \* \* \* laws of the society. \* \* \*

SECTION 11. Subsection (5m) of section 208.02 of the statutes is renumbered section 208.11 and is amended to read:

208.11 DIVIDENDS. \* \* \* No \* \* \* *mutual* benefit society \* \* \* shall \* \* \* issue any certificate \* \* \* or policy \* \* \* in which the accounting, apportionment and distribution of any profits, savings, earnings \* \* \* or surplus shall be deferred for a longer period than one year.

SECTION 12. Subsection (10) of section 208.02 of the statutes is renumbered section 208.12 and is amended to read:

208.12 INVESTMENTS. \* \* \* Every *mutual benefit* society shall invest its funds only in securities permitted \* \* \* for the investment of the assets of life insurance companies; \* \* \* *but* any *such* foreign society \* \* \* *may* invest \* \* \* its funds in accordance with the laws of the state in which it is incorporated; \* \* \* provided that \* \* \* not exceeding twenty per cent \* \* \* of its assets may be invested in a building for use \* \* \* by the society as its home office.

SECTION 13. Subsection (11) of section 208.02 of the statutes is renumbered section 208.13 and is amended to read:

208.13 DISBURSEMENTS CONTROLLED. \* \* \* Every provision of \* \* \* law \* \* \* of a \* \* \* *mutual* benefit society for payment by *its* members \* \* \* shall distinctly state the purpose of the same and the proportion thereof which may be used for expenses. \* \* \* No part of the money collected for mortuary or disability purposes \* \* \* or to mature the policies or of the net accretions thereto \* \* \* shall be used for expenses. \* \* \* Savings on mortality may be used to pay the expenses of medical examinations and inspections of risks. \* \* \* Investment expenses may be paid from gains on interest.

SECTION 14. Subsection (1) of section 208.03 of the statutes is renumbered section 208.14 and is amended to read:

208.14 FRATERNAL BENEFIT SOCIETIES; ORGANIZATION. \* \* \* *Mutual* \* \* \* benefit societies may be incorporated as provided in \* \* \* *chapter 201*. \* \* \* Before such society shall be licensed to transact business at least five hundred persons shall have made application in writing for membership \* \* \* *therein*; and \* \* \* in case of life insurance, each shall have been examined and recommended as insurable by a \* \* \* *legally qualified* physician \* \* \* and shall have deposited the premium for one year of insurance, out of which there shall be pledged for the payment of death losses a sufficient sum to pay the largest possible single death claim.

SECTION 15. Paragraphs (a) and (c) of subsection (2) of section 208.03 of the statutes are renumbered section 208.15 and are amended to read:

208.15 RATES. (1) \* \* \* No *mutual* \* \* \* *benefit* \* \* \* society (not authorized or licensed to transact business

within this state on the twelfth day of July, 1907) shall be incorporated \* \* \* or \* \* \* permitted to transact business \* \* \* in this state unless its laws require the regular payment \* \* \* of rates of assessment \* \* \* not lower than those deducted from the National Fraternal Congress Mortality Table, computed upon an interest assumption of four per cent \* \* \* per annum, nor unless it shall hold assets sufficient to provide for its other liabilities and its reserve liability, upon its own plan and assumptions within the foregoing limitations.

(2) \* \* \* The payment of any disability benefits promised or rendered by any such society \* \* \* that are not provided for in the rates *so* deducted from said table of mortality \* \* \* must be amply provided for in addition to the rates of assessments as herein required.

SECTION 16. Paragraph (b) of subsection (2) of section 208.03 of the statutes is repealed.

SECTION 17. The introductory part and subdivisions (1) and (2) of paragraph (d) of subsection (2) of section 208.03 of the statutes are renumbered section 208.16 and are amended to read:

208.16 CONTENTS OF POLICIES. \* \* \* Every contract or certificate of insurance issued or delivered by any \* \* \* *mutual* benefit society \* \* \* organized or admitted in this state, *after June 30, 1919*, shall have attached thereto a copy of any application referred to therein, and shall contain \* \* \* a statement of the table of mortality or other basic table and rate of interest and method upon which the reserve on such contract is to be computed, *and* \* \* \* *shall give* in dollars and cents for each age during the possible history of the contract the mortality charge or cost of insurance and the reserve upon the foregoing assumptions.

SECTION 18. Subdivision (3) of paragraph (d) of subsection (2) of section 208.03 of the statutes is renumbered section 208.17 and is amended to read:

208.17 PROTECTION AGAINST FORFEITURE. \* \* \* In the case of every society issuing all its contracts, as provided in \* \* \* *sections 208.15 to 208.19* such \* \* \* *contracts* shall also provide that upon any forfeiture or change in the contract, one or more benefits shall be given to the insured or beneficiary, or both, as specified therein, the present value whereof shall equal the reserve less a surrender charge, if any, not exceeding one per centum on the amount of the insurance specified in the

contract. One of said benefits shall be either \* \* \* an automatic loan to cover any unpaid premium or assessment, with interest at a specified rate, until the reserve (less the surrender charge and indebtedness, if any) is exhausted, or \* \* \* extended or paid-up insurance to the amount the reserve (less the surrender charge and indebtedness, if any) will purchase as a net single premium on the table and rate specified, the duration or amount of which extended or paid-up insurance shall be specified in such \* \* \* contracts.

SECTION 19. Paragraph (e) of subsection (2) of section 208.03 of the statutes is renumbered section 208.18 and is amended to read:

208.18 NONRESERVE SOCIETY. \* \* \* *A mutual benefit society may be organized for the transaction of business on a plan set forth in the contract which provides for sufficient contributions by each member in each year to pay his share of the actual death claims of the year through the collection of assessments graded according to the \* \* \* National Fraternal Congress Mortality Table, or to any other mortality table recognized by law, without any reserve, or with such reserve as may accumulate from overpayments of individual members, in which case each member shall each year be informed of his credit and of the charge for his cost of insurance.*

SECTION 20. Paragraph (f) of subsection (2) of section 208.03 of the statutes is renumbered section 208.19 and is amended to read:

208.19 CLASSES OF MEMBERS. \* \* \* Any domestic mutual \* \* \* benefit society \* \* \* may establish and maintain two or more separate classes of members subject to the conditions and restrictions following and to such as may be prescribed in its articles or by-laws. The proceeds of assessments (other than for expense purposes) and the apportioned funds or reserves maintained for each \* \* \* class \* \* \* shall be kept \* \* \* separate \* \* \* from other \* \* \* funds, \* \* \* and all claims on certificates held by members in any class shall be paid only from funds belonging to such class; provided that \* \* \* transfers of gains from interest or investments, or of savings in mortality, or of gains from forfeitures, may be made between classes of members as \* \* \* authorized in the by-laws; and \* \* \* provided \* \* \* that for the purpose of apportioning death losses to the various classes, the mortality may

be merged as \* \* \* authorized in the by-laws. Pursuant to \* \* \* the by-laws \* \* \* any member may be permitted to transfer from a lower to a higher rate class \* \* \* and to have transferred with him to such other class such part of any accumulated funds held for such member. \* \* \* No such classification shall be rescinded or discontinued. The foregoing conditions and restrictions shall not apply to classes \* \* \* established \* \* \* prior to June 27, 1915, nor to accident insurance. \* \* \*

SECTION 21. Subsection (3) of section 208.03 of the statutes is renumbered section 208.20 and is amended to read:

208.20 OLD SOCIETIES, SPECIAL LICENSE. \* \* \*

(1) \* \* \* Any *mutual* \* \* \* benefit society having members residing in this state on the first day of May, 1911, shall, without complying with the requirements of \* \* \* sections \* \* \* 208.15 to 208.19 but upon complying with the other requirements of law \* \* \* be entitled to transact \* \* \* insurance with such members and with members who shall \* \* \* come into this state after having become such members.

(2) \* \* \* If such society *shall* not comply \* \* \* with the requirements of *said* \* \* \* sections \* \* \* it shall not \* \* \* solicit, receive or accept new members \* \* \* in this state \* \* \* until it shall have received the license of the commissioner therefor, \* \* \* issued after examination by \* \* \* him, \* \* \* and due proof is filed with him that such society has \* \* \* incorporated into its charter, articles \* \* \* or by-laws a \* \* \* provision that from such date new members *will* be solicited, received \* \* \* or accepted within this state only according to the provisions of said \* \* \* sections, \* \* \* and that the amount of funds necessary to meet the reserve liability on each policy or certificate of such new members shall be kept separate \* \* \* from \* \* \* other funds \* \* \* in trust for each such member, and shall be used only for the purpose of maintaining such reserve and maturing such policies or certificates, and that a policy or certificate shall be issued to each member reciting the foregoing conditions and specifying the premium, and that assessments, if any, shall be levied only in the manner and for the specific purposes therein enumerated.

(3) \* \* \* When such society shall in all respects as to all its members have complied with the requirements of *said* \* \* \* sections \* \* \* it shall no longer be required to keep such funds separate as required by \* \* \* subsection (2).



SECTION 22. Subsections (4), (5) and (6) of section 208.03 of the statutes are renumbered section 204.35 and are amended to read:

204.35 DEPOSITS BY ACCIDENT SOCIETIES. \* \* \*

(1) \* \* \* In case of an accident association before license is issued \* \* \* it shall deposit with the state treasurer \* \* \* for the payment of claims against \* \* \* *it* in case of \* \* \* dissolution \* \* \* interest-bearing securities to be approved by the commissioner \* \* \* *of the* par value (exclusive of interest) of not less than one thousand dollars; such securities shall be retained by the state treasurer so long as said corporation shall continue to do business. \* \* \* Said corporation may at any time upon the approval of the commissioner \* \* \* substitute other securities of equal value. The interest on said securities shall be payable to the \* \* \* corporation and in case of \* \* \* dissolution \* \* \* the \* \* \* securities shall be delivered to the \* \* \* receiver \* \* \* or to the corporation itself, upon the certificate of the commissioner. \* \* \*

(2) \* \* \* When \* \* \* any \* \* \* *foreign* mutual benefit \* \* \* *society* doing an accident or health business \* \* \* *is* required by the laws of its home state to keep on deposit with \* \* \* an officer \* \* \* of its home state securities for the protection of policyholders generally, and \* \* \* such \* \* \* *society* shall furnish to the commissioner \* \* \* of this state the certificate of \* \* \* *said* officer of such other state, showing the \* \* \* securities so deposited with him, and it shall appear therefrom that the said securities are equal in market value \* \* \* to one thousand dollars, and that said securities \* \* \* *would be legal investments for a domestic mutual benefit society* and the securities so deposited are \* \* \* available to satisfy judgments of policyholders in any manner corresponding to that provided \* \* \* *by the laws of this state*, the commissioner \* \* \* *may* issue to such \* \* \* *society* a license to transact \* \* \* accident and health insurance \* \* \* in this state, without \* \* \* *depositing* \* \* \* securities with the \* \* \* treasurer of this state. \* \* \*

(3) \* \* \* No casualty or accident insurance company \* \* \* *or mutual benefit* society \* \* \* shall assume a greater \* \* \* *risk on* any one person payable in case of death of the assured, than one-tenth of \* \* \* its assets reported to the

commissioner \* \* \* and in \* \* \* existence at the time of the last \* \* \* annual report. \* \* \*

SECTION 23. Subsections (7) and (8) of section 208.03 of the statutes are renumbered section 208.23 and are amended to read:

208.23 AMENDMENT OF ARTICLES. \* \* \* The articles of organization of any \* \* \* *mutual benefit* society \* \* \* may be amended as prescribed herein. \* \* \* In case of any \* \* \* *society* having subordinate lodges or other \* \* \* divisions, after the proposed amendment has been filed with the department \* \* \* *of insurance* and a copy thereof with notice of the manner and the time and place of voting has been mailed to each member at least thirty days prior \* \* \* *to the time for voting*, the vote on such amendment may be taken at the usual meeting places of such lodges or other \* \* \* divisions, and the results returned and canvassed in such \* \* \* manner as the board of directors or other governing officers \* \* \* may prescribe in such notice. The time and place of voting may be specified by referring \* \* \* to a stated meeting of such subordinate lodge or other \* \* \* division in such manner as to fully inform the members. \* \* \* An amendment \* \* \* may be adopted by a vote of a majority of the members voting thereon.

SECTION 24. Subsection (15) of section 208.03 of the statutes is renumbered section 208.24 and is amended to read:

208.24 LICENSE NECESSARY. \* \* \* (1) \* \* \* No *mutual* \* \* \* benefit society shall transact any business \* \* \* without a license from the commissioner. \* \* \* Such license \* \* \* *and any renewal thereof shall* terminate on the first day of the succeeding April, provided that the license shall continue in force and effect until the new license \* \* \* *is* issued or specifically refused.

(2) \* \* \* Such license shall be prima facie evidence that the licensee is a *mutual* \* \* \* benefit society. \* \* \* No license shall be issued to any society \* \* \* having a name so similar to the name of any society theretofore licensed \* \* \* as to mislead the public.

(3) \* \* \* Any such society \* \* \* *may* \* \* \* *continue* \* \* \* all contracts issued or delivered in this state during the time such society was legally authorized to transact business here; \* \* \* provided, such society shall, so long as any contract

remains in force, \* \* \* make such annual reports as are required \* \* \* during the year previous to the last year of its being licensed, or at its option as thereafter required by law.

SECTION 25. Subsection (16) of section 208.03 of the statutes is renumbered section 208.25 and is amended to read:

208.25 ADMISSION OF FOREIGN SOCIETIES. \* \* \* Any foreign *mutual* \* \* \* benefit society \* \* \* may be licensed to transact business in this state, upon an examination by \* \* \* the commissioner, \* \* \* which shall be made after the filing with him of:

(1) A duly certified copy of its charter or articles of association;

(2) A copy of its by-laws and of any other constitution and laws, certified by its secretary or corresponding officer;

(3) A power of attorney to the commissioner is herein provided;

(4) A certificate from the proper official in its home state \* \* \* or country that the society is legally organized and licensed to transact business therein;

(5) \* \* \* Each of its *forms of* contracts which must each show that benefits are provided for by periodical or other payments by persons holding \* \* \* *such* contracts;

(6) A statement of its business under oath of its president and secretary or corresponding officers, in the form required by the commissioner, showing that it complies with all the provisions of law relating to like domestic societies;

(7) Such other information as he may deem necessary to a proper exhibit of its business and plan of working; *and*

(8) A statement signed by its president and secretary, or corresponding officers, including a copy of a resolution of its board of directors or other governing body, authorizing the same; \* \* \* that it will \* \* \* file \* \* \* its annual report as required by \* \* \* section \* \* \* 208.24. \* \* \*

SECTION 26. Subsection (17) of section 208.03 of the statutes is renumbered section 208.26 and is re-enacted.

SECTION 27. Subsection (19) of section 208.03 of the statutes is repealed.

SECTION 28. Subsection (22) of section 208.04 of the statutes is renumbered section 208.28 and is amended to read:

208.28 BENEFIT SOCIETIES; ANNUAL REPORT, VALUATION. \* \* \* (1) \* \* \* As a part of its annual

statement every *mutual* \* \* \* benefit society shall report a valuation of its certificates in force as of the end of each year. \* \* \* Such valuation shall be certified by a competent accountant or actuary, or at the request and expense of the society, verified by the actuary of the department of insurance of the home state of the society. \* \* \* The time for filing such valuation may be extended by the commissioner not exceeding ninety days.

(2) The legal minimum standard of valuation for all certificates (except for disability benefits) shall be the National Fraternal Congress Table of Mortality, \* \* \* or at the option of the society, any higher table or any table authorized by section 206.20, or \* \* \* a table based upon the society's own experience of at least twenty years and covering not less than one hundred thousand lives. \* \* \* *The interest assumption* \* \* \* shall not be more than four per cent \* \* \* per annum. \* \* \* Each \* \* \* report shall set forth \* \* \* fully the mortality and interest basis and the method of valuation.

(3) \* \* \* Any society providing for disability benefits shall keep the net contributions for such benefits \* \* \* separate and apart from all other \* \* \* funds and the valuation of all other business of the society; provided that where a combined contribution table is used by a society for both death and permanent total disability benefits, the valuation shall be according to tables of \* \* \* experience approved by the commissioner, \* \* \* and in such case a separation of the funds shall not be required.

(4) \* \* \* Each society shall be held to be legally solvent so long as the funds in its possession are equal to \* \* \* its matured liabilities.

(5) \* \* \* A report of such valuation and an explanation of the \* \* \* condition of the society thereby disclosed shall be printed and mailed by the society to each beneficiary member \* \* \* not later than the first of *July* of each year, or, in lieu thereof, such report \* \* \* and \* \* \* *explanation* may be published in the society's official paper and the issue containing the same mailed to each beneficiary member. \* \* \*

(6) \* \* \* This \* \* \* section shall not apply to any foreign society issuing no certificate in excess of five hundred dollars and licensed \* \* \* before January 1, 1911.

SECTION 29. Subsection (22m) of section 208.04 of the statutes is renumbered section 208.29 and is amended to read:

## 208.29 BENEFIT SOCIETIES, VALUATIONS. \* \* \*

(1) (a) In lieu of the valuation requirements of \* \* \* section 208.28, any society accepting \* \* \* the provisions of this section may value its certificates on \* \* \* *an* accumulation basis, by crediting each member with the net amount contributed for each year and with interest at approximately the net rate earned, and by charging him with his share of the losses for each year.  
\* \* \*

(b) The charge \* \* \* may be according to the actual experience of the society applied to a table of mortality recognized by the law of this state, and shall take into consideration the amount at risk during each year, which shall be the amount payable at death less the credit to the member. .

(c) Except as specifically provided in its articles or laws or contracts, no charge shall be carried forward from the first valuation \* \* \* against any member for any past share of losses exceeding the contributions and credit.

(d) If, after the first valuation, any member's share of losses for any year exceeds his credit including the contribution for the year, the contribution shall be increased to cover \* \* \* *the excess*.

(e) Any such excess \* \* \* chargeable to any member may be paid out of a fund or contributions especially \* \* \* required for such purpose.

(2) Any member may transfer to any plan adopted by the society with net rates on which tabular reserves are maintained, and on such transfer shall be entitled to make such application of his credit as provided in the laws of the society.

(3) Certificates issued, rerated or readjusted on a basis providing for adequate rates with adequate reserves to mature such certificates upon assumptions for mortality and interest recognized by the law of this state shall be valued on such basis, herein designated the "tabular basis;" provided that if on the first valuation \* \* \* a deficiency in reserve shall be shown for any such certificate, \* \* \* *it* shall be valued on the accumulation basis.

(4) \* \* \* Whenever \* \* \* in any society having members upon the tabular basis and upon the accumulation basis \* \* \* the total of all costs of insurance provided for any year shall be insufficient to meet the actual death and disability losses for the year the deficiency shall be met \* \* \* from the available funds after setting aside all credits in the reserve, or

from increased contributions or by an increase in the number of assessments, applied to the society as a whole or to classes of members, as may be specified in its laws. \* \* \* Savings from a lower amount of death losses may be returned in like manner as may be specified in its laws.

(5) If the laws of the society so provide \* \* \* the assets representing the reserves of any \* \* \* class of members may be carried separately for such class, \* \* \* and the required reserve accumulation of such class so set apart shall not thereafter be mingled with the assets of other classes. \* \* \*

(6) A table showing the credits to individual members for each age and year of entry, and showing opposite each credit the tabular reserve required on the whole life or other plan of insurance specified in the contract, according to assumptions for mortality and interest recognized by the laws of this state and adopted by the society, shall be filed by the society with each annual report and also be furnished to each member before July first of each year.

(7) In lieu of the \* \* \* statement *required by subsection (6)* there may be furnished to each member within the same time a statement giving the credit for such member and giving the tabular reserve and level rate required for a transfer carrying out the plan of insurance specified in the contract. No table or statement need be made or furnished where the reserves are maintained on the tabular basis.

(8) \* \* \* Bookkeeping accounts for each member shall not be required and all calculations may be made by actuarial methods.

(9) \* \* \* *This section shall \* \* \* not prevent the maintenance of such surplus over and above the credits on the accumulation basis and the reserves on the tabular basis as the society may provide \* \* \* pursuant to its laws; \* \* \* nor \* \* \* give to the individual member any right or claim to any such reserve or credit other than in the manner \* \* \* expressed in the contract and its laws; \* \* \* nor \* \* \* make any such reserve or credits a liability in determining the legal solvency of the society.*

SECTION 30. Subsection (22n) of section 208.04 of the statutes is renumbered section 208.30 and is amended to read:

208.30 VALUATION, COMMISSIONER TO MAKE.  
\* \* \* Any domestic *mutual* \* \* \* benefit society may request the commissioner \* \* \* to \* \* \* *make* a valuation

of its outstanding certificates and an apportionment of its surplus.  
 \* \* \* Such society shall pay to the commissioner \* \* \* a fee not to exceed ten dollars per day for the time actually spent by each employe in making \* \* \* *such* valuation and apportionment. \* \* \*

SECTION 31. Subsection (23) of section 208.04 of the statutes is renumbered section 208.31 and is amended to read:

208.31 ANNUAL REPORT. \* \* \* Every \* \* \* *mutual benefit society* shall, on or before the first day of March of each year, make and file with the commissioner \* \* \* a report of its affairs and its operations during the *calendar* year \* \* \* preceding. \* \* \* Such report shall be upon \* \* \* forms \* \* \* provided by \* \* \* *him*, and shall be verified under oath by the proper officers thereof and be published, or the substance thereof, in the report of the commissioner under a separate part, entitled "Mutual Benefit Societies" \* \* \* and shall show:

- (1) Number of certificates issued during the year or members admitted.
- (2) Amount of indemnity effected thereby.
- (3) Number of losses or benefit liabilities.
- (4) Number of losses or benefit liabilities paid.
- (5) The amount received from each assessment in each class for the year.
- (6) Total amount paid members, beneficiaries, legal representatives and heirs.
- (7) Number and kind of claims for which assessments have been made.
- (8) Number and kind of claims compromised or resisted, and brief statements of reasons.
- (9) \* \* \* Annual or other periodical dues or admission fees \* \* \* *charged*.
- (10) \* \* \* *Dues* on each one thousand dollars annually or per capita. \* \* \*
- (11) Total amount received, from what sources, and disposition thereof.
- (12) Total amount of salaries paid to officers.
- (13) \* \* \* *Whether the* society guarantees in its certificate fixed amount to be paid, regardless of amount realized from assessments, dues, admission fees and donations.
- (14) If so, state amount guaranteed and the security of such guaranty.

- (15) \* \* \* The society's \* \* \* reserve fund.
- (16) \* \* \* How \* \* \* created, and for what purpose, the amount thereof, and how invested.
- (17) \* \* \* *Whether* the society *has* more than one class.
- (18) If so, how many, and the amount of indemnity in each.
- (19) Number of members in each class.
- (20) If organized under the laws of this state, under what law, and at what time.
- (21) If organized under the law \* \* \* of any other state \* \* \* or any foreign country, state such fact and the date of organization, \* \* \* *and the* chapter and \* \* \* date of passage of the \* \* \* *law*.
- (22) Number of certificates of membership in force at beginning and end of year; if more than one class, number of each.
- (23) Number of certificates of membership lapsed during the year.
- (24) Number of certificates of membership in force in this state at the beginning and end of year; if more than one class, number of each.
- (25) Number of certificates of membership in this state lapsed during the year.
- (26) Number of deaths in this state during the year.
- (27) Number and amount of claims paid in this state during the year; if more than one class, number and amount paid in each.
- (28) *Reason why any* \* \* \* claims \* \* \* *were not* paid in full. \* \* \*
- (29) Approximate maximum and average age of membership in each class.
- (30) Liabilities, assets, contingent liabilities, contingent assets.
- (31) A schedule giving the number of members in groups according to attained ages, the amount of insurance in force, the amount received in premiums or mortuary assessments during the year, the number of deaths and the amount of death losses incurred during the year in each group at attained age; provided, however, that the commissioner \* \* \* may waive the requirements for furnishing the information for this schedule in the case of societies which operate on adequate rates of assessment and maintain adequate reserves; and in the case of adequate rate classes of members for whom adequate reserves are segregated and trusted in accordance with law.



SECTION 32. Subsections (24), (25), (26) and (27) of section 208.04 of the statutes are renumbered section 208.32 and are amended to read:

208.32 VISITORIAL POWER. (1) \* \* \* The commissioner \* \* \* or any person he may appoint shall have the power of visitation and examination into the affairs of any domestic or foreign *mutual benefit* society; \* \* \* and shall have free access to all the books, papers and documents that relate to the business of the society, and may summon and \* \* \* swear and examine its officers, agents and employes or other persons in relation to the affairs, transactions and condition of the society. The expense of such examination shall be paid by the society examined, upon statement furnished by the commissioner, \* \* \* and the examination shall be made at least once in three years.

(2) \* \* \* The commissioner \* \* \* may \* \* \* in lieu of examining such foreign society accept the examination of the insurance department of the state \* \* \* or country where such society is organized.

(3) \* \* \* The commissioner \* \* \* shall, at the request of any \* \* \* *such society*, make an examination thereof and furnish a certificate of the result, showing all its assets, how invested, and such other particulars as may be deemed necessary to show \* \* \* *its* character and condition; \* \* \* and the necessary expense of the said examination shall be paid by it.

(4) \* \* \* Pending \* \* \* or after an examination or investigation of any such society \* \* \* the commissioner \* \* \* shall *not* make public \* \* \* nor shall he permit to become public any financial statement, report or finding affecting the status, standing or rights of any such society, until a copy thereof shall have been served upon such society, at its home office, nor until such society shall have been afforded a reasonable opportunity to answer any such financial statement, report or finding and to make such showing in connection therewith as it may desire.

SECTION 33. Subsection (28) of section 208.04 of the statutes is renumbered section 208.33 and is amended to read:

208.33 REVOCATION OF LICENSE; REVIEW OF ORDERS. \* \* \* When the commissioner \* \* \* upon investigation is satisfied that any \* \* \* *mutual benefit* society has exceeded its powers, or has failed to comply with any provision \* \* \* of \* \* \* law, \* \* \* or is soliciting business

by the use or circulation of any \* \* \* matter or advertisement misrepresenting its contracts or conditions, or is otherwise conducting business fraudulently, or in any way hazardous to its members, creditors or the public, or is not carrying out its contracts in good faith, or shall fail to file with him a copy of any form of \* \* \* contract before it shall be issued or delivered in this state, he shall notify the society of his findings *relative thereto*, \* \* \* and \* \* \* *upon* reasonable notice, require said society, on a date named, to show cause why its license should not be refused or revoked. If on the date named in said notice such objections have not been removed to the satisfaction of the \* \* \* commissioner, or *if* the society does not present good and sufficient reasons why its authority to transact business in this state should not at that time be refused or revoked, he may refuse to renew or *may* revoke the authority of the society to continue business in this state. All decisions and orders of the commissioner \* \* \* relating to \* \* \* *mutual* benefit societies may be reviewed as provided for the review of orders relating to insurance companies.

SECTION 34. Subsection (29) of section 208.04 of the statutes is renumbered section 208.34 and is amended to read :

208.34 REVOCATION OF LICENSE, COSTS. \* \* \* The commissioner \* \* \* shall revoke the license of any \* \* \* *society* which fails to comply with the requirements of law ; and all necessary expenses incurred by him and by the attorney-general in enforcing such requirements or in prosecuting violations thereof shall be paid out of the general fund, on being certified to the secretary of state that they were actually and necessarily incurred for the purpose stated.

SECTION 35. Subsection (30) of section 208.04 of the statutes is renumbered section 208.35 and is amended to read :

208.35 TAX EXEMPT, SPECIAL ASSESSMENTS, FILING FEES. \* \* \* Every *mutual* \* \* \* benefit society \* \* \* shall be exempt from all \* \* \* state, county, district, municipal and school taxes or fees, but shall be required to pay all taxes and special assessments on its real estate and office equipment, *except as provided in subsections (4) and (4a) of section 70.11. It shall pay* \* \* \* the same fees for filing its articles or amendments and annual report and for certified copies as provided by section 200.13.

SECTION 36. This act shall take effect on September 1, 1933.  
Approved June 28, 1933.

No. 749, A.]

[Published July 1, 1933.]

### CHAPTER 345.

AN ACT to amend section 14.32 of the statutes, relating to expenses of state employes not allowed for audit.

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

SECTION 1. Section 14.32 of the statutes is amended to read:  
14.32 The secretary of state shall not audit items of expenditure for tips, portorage, parlor car seats other than sleeping car berths, or for expenses not necessarily incurred in the performance of duties required by the public service; nor shall he audit items of expenditure \* \* \* *incurred while traveling outside the state* by any officer or employe of the state or of any department or institution thereof \* \* \* *unless in the discharge of his duties required by the public service and after authorization* by the director of the budget, \* \* \* *unless specific statutory authority exists therefor*; nor shall he audit items of expenditure for expenses of \* \* \* *any officer or employe of the state or of any department or institution thereof \* \* \* while attending any convention, association, society or meeting held outside the state unless otherwise provided by law.*

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

Approved June 28, 1933.

No. 953, A.]

[Published June 29, 1933.]

### CHAPTER 346.

AN ACT to amend subsection (1) of section 2 of chapter 59, laws of 1933; to allot the state aid for elementary public schools for the school year 1931-32; and making an appropriation.

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

SECTION 1. It is hereby enacted that the state aid for the school year 1931-32, available under subsection (3) of section 20.25 of the statutes, shall be distributed on the basis of the erroneous certification made to the secretary of state by the state super-