

newspaper of general circulation in the county in which such bank, corporation, association, person or persons are doing business, a statement of the financial condition as appears from such report or reports, of said bank, corporation, association, person or persons doing a banking business in said county. If any bank, corporation, association, person or persons doing a banking business within the purview of the laws of the state of Wisconsin, shall refuse or neglect to make such report or reports to the state treasurer as herein provided, the state treasurer shall cause to be published in a newspaper of general circulation in the county in which said bank, corporation, association, person or persons are doing a banking business, a notice of the neglect or refusal of such bank, corporation, association, person or persons to make such report or reports of the financial condition of their business. The expense of publishing all notices required to be published under this act shall be paid out of the general fund of the treasury of the state of Wisconsin upon accounts audited and warrants issued by the secretary of state.

Treasurer to publish statement, also notice of neglect to file.

Expense of publication to be paid out of general fund.

SECTION 6. Chapter 152, laws of Wisconsin for year A. D. 1885, is hereby repealed.

Repeal of ch. 152, laws 1885.

SECTION 7. This act shall take effect and be in force from and after its passage and publication.

Approved April 18, 1889.

[No. 263, S.]

[Published April 27, 1889.]

CHAPTER 524.

AN ACT to authorize the formation of druggist mutual insurance corporations.

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

SECTION 1. Any number of persons not less than nine, residents of this state, now engaged in the business of selling drugs or druggists' material, and owning in the aggregate property within this

Druggists' Mutual Insurance Corporations, formation of.

state of the value of not less than one hundred thousand dollars, may, in the manner prescribed in section 1897, of the revised statutes, and as herein prescribed, form a corporation for the purpose of insurance upon the plan of mutual insurance of drug stocks and other stocks and the buildings in which the same are contained from loss or damage by fire or lightning. The first nine persons signing the articles of organization shall be directors of the corporation until the first annual meeting. The articles of association having been filed with the commissioner of insurance with proof of publication of notice, and proof that policies in the requisite number have been applied for, shall be examined by the attorney-general, and if found in conformity with the law, the commissioner shall issue his certificate that such corporation is duly organized and is entitled to do business under the laws of this state.

Articles, etc.,
to be examined
by Attorney
General.

Certificate,
when to issue.

Powers

SECTION 2. Every such corporation in addition to the powers granted by chapter 85, of the revised statutes and acts amendatory thereof, shall have power:

Stocks and
buildings.

First. To make contracts of insurance within this state and elsewhere, with any person or persons engaged in the manufacture or sale of drugs, or dealing in drug stock, upon such stock and buildings in which the same are manufactured, stored or kept for sale, against loss and damage by fire and lightning, for such premiums or consideration, and under such regulations or restrictions as such corporation by its by-laws may provide.

Purchase,
receive and
hold necessary
real estate, etc.

Second. To purchase, receive, hold, possess and convey all such real estate and personal property as shall be necessary for its accommodation and the convenient transaction of its business, or in the cases when a general fire insurance corporation may take and hold the same.

May invest
funds in se-
curities.

Third. When required by law to keep on hand money or other securities, in addition to the obligations signed by the members, may invest such money in first mortgages on improved real estate within this state.

Prescribe form
of admission.

Fourth. To prescribe the manner and form for the admission of members and withdrawal of the same.

Fifth. To make all necessary rules and regula-

tions concerning insurance on property and the appraisal and payment of losses, and alter and amend the same at pleasure, subject to the restrictions hereinafter prescribed.

Make necessary rules, etc.

Sixth. To fix the compensation of its officers, and their duties and obligations, and to require bonds for the faithful performance of such duties.

Fix compensation of officers.

Seventh. To exercise such other powers as shall be necessary to effect the objects of such corporation.

Other powers.

SECTION 3. Such corporation, when duly organized, and on receiving the certificate of the commissioner of insurance, may issue policies of insurance on druggists' and other stocks, and on the buildings in which the same are contained, for any time not exceeding five years, and not extending beyond the time such corporation is to continue, and for an amount not exceeding five thousand dollars on any one risk. Any such corporation may classify the property insured, at the time of insuring the same, under different rates, corresponding as nearly as may be to the greater or less risk from fire or loss which may attach to the property insured; but no policy shall be issued by such corporation until not less than one hundred thousand dollars of insurance, in not less than one hundred separate risks, have been subscribed and a premium thereon for one year paid, in cash aggregating not less than five thousand dollars. All persons and corporations so subscribing shall agree in writing to assume a liability to be named in the policy of insurance. Such liability shall not be less than three nor more than five annual premiums and shall be subject to a call by the board of directors for the payment of the losses and expenses of such company during the time for which their respective policies shall continue in force; and the same liability shall also be agreed to by each subsequent applicant for insurance. All corporations organized under this act may thereafter charge and collect in advance upon their policies a full annual premium in cash. All such corporations shall in their by-laws and policies of insurance, fix by uniform rule the contingent mutual liability of its members for the payment of the losses and expenses, and such contingent liability shall not be less than three nor more

May issue policies; amount.

May classify property, make rates, etc.

When policies may issue.

Liability of members.

May collect premiums.

than five annual premiums as written in the policy. Such liability shall cease with the expiration of the time for which a cash premium has been paid in advance, except for liability incurred during such term.

Reserve fund.

SECTION 4. Companies organized under the provisions of this act, may provide for the accumulation of a permanent reserve fund, by reserving a portion of the net profits to be invested and be reserved for the security of the insured; such reservation shall not exceed twenty-five per cent. of said net profits, and when the sum so accumulated amounts to two per cent. of the sum secured by all the policies in force, the whole of the net profits thereafter shall be divided among the insured at the expiration of their policies. The permanent fund so accumulated shall be used for the payment of losses and expenses whenever the cash funds of the company in excess of the amount equal to its liabilities are exhausted. And whenever the said fund is drawn upon the reservation of profits as aforesaid shall be renewed and continued until the limit of accumulation as herein provided is reached; and within a reasonable time after the determination of any policy, the owner thereof shall be entitled to receive and shall be paid his pro rata share of all net profits not included in the aforesaid permanent fund.

**Who members;
liability.**

SECTION 5. Every person who becomes insured in any company organized under the provisions of this act, and his heirs, executors, administrators and assigns, shall thereby become members of such company during the period of the insurance, and shall be bound to pay for losses and such necessary expenses as accrue in and to the company in proportion to the original amount of his contingent liability; and the directors of such company shall as often as they may deem necessary, settle and determine the sum to be paid by the several members thereof, and publish the same in such manner as they may deem reasonable or as the by-laws prescribe; and the sum to be paid by each member shall always be in proportion to the original amount of such liability, and shall be due and payable within thirty days next after the publication of such notice; provided, that whenever such company is not possessed of

cash funds above its re-insurance reserved sufficient for the payment of incurred losses and expenses, it shall be deemed to have impaired its capital, and when such impairment shall exceed fifty per cent. of the re-insurance reserve, required to be maintained, it shall make an assessment for the amount needed to pay such losses and expenses, upon its members liable to assessments therefor in proportion to their several liabilities, to make good the re-insurance reserve; but no member shall be assessed for liabilities incurred prior to his becoming a member.

Assessment.

SECTION 6. If any member neglects or refuses for the space of thirty days after the publication of notice and demand for payment, to pay the sum assessed upon him, or his proportion of any loss and expenses as aforesaid, the directors may sue for and recover the whole amount of the contingent liability, with costs of suit; but execution shall issue only for assessments and costs as they accrue; and every such execution shall be accompanied with a list of losses for which the assessment is made, and if the whole amount of such liability be insufficient to pay the loss occasioned by any fire or fires, the sufferers insured by the company shall receive towards making good their respective losses a proportionate share of the whole amount of such liability, according to the sums by them respectively insured; but no member shall be required to pay for any such assessment or assessments made to meet losses and expenses, more than the whole amount of such contingent liability mentioned in his policy of insurance.

Directors may sue for and recover assessment, etc.

SECTION 7. In actions for the recovery of assessments duly levied by the directors of any mutual insurance company of this state or for money due on the liability of the members of any such company, the official statement of the president or secretary of such company, under seal and sworn to, shall be received in court as evidence of the facts essential for making the same; and that such assessment for the non-payment of which any such action is commenced, has been duly levied and notice thereof given.

Official statement of president and secretary as to liability of members, when received.

SECTION 8. If at any time after any corporation shall have been organized and begun business under the provisions of this act, the number of

When to wind up business.

policies in force shall become less than fifty of one thousand dollars or more each, the secretary shall at once notify the commissioner of insurance, and said corporation shall wind up its business in the manner provided by law. And such corporation may be proceeded against and dissolved as provided by law as in cases of other insurance corporations.

Withdrawal of members.

SECTION 9. Any member of any such corporation may withdraw therefrom by giving notice in writing to the secretary, and paying up his dues and his ratable share of all losses or damages by fire or lightning suffered by the corporation up to the date of his withdrawal. The officers of any such corporation shall have power to annul any policy by giving notice in writing to that effect to the holder thereof, and paying him any sums which may be due from the corporation to such member.

Report to be made to commissioner of insurance.

SECTION 10. The president or vice-president and secretary of each of such corporations shall annually, within the month of January, prepare and file in the office of the commissioner of insurance a statement, verified by their oath, of the business done by the corporation during the year ending on the thirty-first day of December next preceding; such statement to contain such items and facts in regard to the business and condition of such corporation as the commissioner may require.

Millers' and Manufacturer's Mutual Insurance Companies may avail themselves of sec. 3; when.

SECTION 11. Any company organized and doing business under the law for the organization of millers and manufacturers' mutual insurance companies, may avail themselves of the benefits of section 3, of this act by filing with the commissioner of insurance a declaration of such intention signed by the president and secretary of any such company, and thereafter may insert in all mutual policies issued the contingent liability as provided in section 3, and shall fix the amount of the same in their by-laws and may issue their policies without taking from the assured a premium note or obligation.

SECTION 12. This act shall take effect from and after its passage and publication.

Approved April 15, 1889.