

court shall be signed and entered by his successor in office the same as if no vacancy had occurred in the judgeship of said circuit court by the death of the late judge thereof.

SECTION 4. This act shall take effect and be in force from and after its passage and publication.

Approved April 10, 1895.

No. 254, A.]

[Published April 13, 1895.

CHAPTER 175.

AN ACT to amend chapter 418, laws of 1891, entitled, "An act to regulate mutual, beneficiary and fraternal corporations, societies, orders and associations providing insurance on the assessment plan."

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

Insurance on the assessment plan—amendment to law.

SECTION 1. No fraternal or beneficiary corporation, society, order, or association for the relief of members or beneficiaries, furnishing life or casualty insurance or indemnity upon the mutual or assessment plan, shall hereafter be organized or incorporated in this state, until after a declaration, signed by each of the organizers or incorporators, who shall be residents and citizens of this state, shall have been made in writing and sworn to by them before an officer authorized by law to administer oaths, and filed in the office of the commissioner of insurance, setting forth that at least five hundred persons have made application in writing for membership in such proposed corporation, and in case of a life corporation, have each been examined and recommended as insurable by a reputable physician, and who shall have depos-

ited five dollars each, making two thousand and five hundred dollars, one thousand dollars of which sum shall be pledged for the payment of death losses. And the table rates of assessment or liability of each member or person so pledged for membership, shall be such that one assessment will realize at least one thousand dollars for a single death loss over and above all sums required for expenses, reserves, emergencies or other purposes.

SECTION 2. No such corporation, society, order or association shall be permitted to file its articles of incorporation with the secretary of state, or to have the same recorded in the office of the register of deeds of any county of this state, until it shall have deposited with the insurance commissioner of this state copies of its articles of incorporation, by-laws, blank application for, and certificate of membership therein, plan of business and of doing business and of the original agreements and application of the five hundred persons pledged for membership therein. And also satisfactory evidence that the said sum of two thousand and five hundred dollars has been collected and duly pledged and received as required by the terms of this act, and that a single assessment levied upon each and all of the persons or members so pledged, will realize the said sum of one thousand dollars net, and shall have received from said insurance commissioner a certificate reciting that said corporation, society, order, or association has complied with the provisions of this section. Whereupon such society, order or association, may file its articles of incorporation with the secretary of state, and become incorporated under the provisions of chapter 86, of the revised statutes as a mutual beneficiary association. A copy of such certificate of incorporation shall be filed with the commissioner of insurance together with a copy of its constitution and by-laws setting forth its plan of organization, and if approved by the commissioner of insurance, he shall issue a certificate, authorizing

Copies of articles of incorporation, etc. to be filed with the insurance commissioner before commencing business.

said corporation, society, order or association to engage in the business of insurance on the assessment plan as set forth in said articles of incorporation or constitution and by-laws, and the said incorporators or organizers and those who may thereafter become associated with them or their successor shall be lawfully entitled to transact business in accordance with the provisions of this act.

Right to name beneficiary.

SECTION 3. Any member of a society, order or association organized in Wisconsin, shall have the right to name as his beneficiary, any person having an insurable interest in his life or to make his insurance payable to his estate. Any such member shall also have the right to change the beneficiary named in his certificate of membership or policy, without being required to obtain the consent of such beneficiary, by complying with the provisions of the by-laws of the corporation that issued such certificate or policy.

Limit as to age of persons who are insurable.

SECTION 4. No corporation, society, order or association for the purpose of furnishing life insurance on the assessment plan, shall be organized (or licensed to do business) in this state that shall permit persons to become members who are under eighteen years of age or above sixty-one years of age, and every such corporation, society, order or association, except casualty associations or societies, shall accumulate and maintain a reserve or emergency fund of an amount not less than the proceeds of one death or disability assessment or periodical call on all policy or certificate holders thereof, and at least equal to the amount of its maximum certificate or policy, and in case such fund or any portion thereof shall have been used by the corporation for the purpose or purposes for which the same was created or accumulated, and the amount thereof thereby reduced to less than the proceeds of one death or disability assessment or periodical call, the amount of such reduction below the proceeds of one death or disability assessment or periodical call, shall

be made up and restored to said fund within three months thereafter. If such fund is in excess of double the proceeds of such death or disability assessment or periodical call, upon the entire membership, the excess, or any portion thereof, may be used in reduction of assessments or premium calls upon policy or certificate holders; provided, that the provision for reserve or emergency fund shall not apply to any such corporation heretofore licensed or organized in this state, or to any fraternal order or lodge heretofore authorized to do business in this state.

SECTION 5. No fraternal or beneficiary corporation, society, order, or association furnishing life or casualty insurance or indemnity upon the mutual or assessment plan, organized under the laws of any state or territory of the United States, or of the District of Columbia, or foreign countries; nor any voluntary, fraternal or beneficiary corporation, society, order or association having its principal place of business outside of the state of Wisconsin, shall transact business in this state until it has filed with the commissioner of the insurance department of this state an application for admission, upon a form prescribed by the commissioner of insurance setting forth its membership, claims paid, resources, etc., together with a copy of its articles of incorporation, a copy of its constitution and by-laws, a copy of its application, a copy of its medical examination blank, if one is provided for, a copy of its certificate or policy issued to its members, a certificate from the commissioner of insurance of the state, or other officer thereunto authorized, in which said corporation, society, order or association is incorporated or organized, certifying that the said corporation, society, order or association is authorized to legally transact business in this state; that its business is honestly conducted, and that for a period of two years prior to the date of application for admission, it has paid the face value of its largest certificate or policy

Application for admission to this state to do business therein shall be made by all outside fraternal insurance corporations, to the insurance commissioner, who shall pass on the same.

in full, with the collections of an ordinary assessment upon its members. That its by-laws require, and the laws of the state where incorporated, permit the accumulation of a reserve or emergency fund equal in amount to that prescribed by section 4, of this act; provided, also, that the membership of such corporation shall not have diminished during the year of such application for license or during the year next preceding the date of such application for license; provided, that the provision requiring a reserve or emergency fund shall not apply to a corporation which is engaged in the business of accident or casualty insurance, and only pays death losses caused by accident; provided, however, that such corporations shall have accumulated and maintain a fund equal to, and applicable to the payment of the face of the largest certificate or policy in force.

Commissioner of insurance shall investigate the character and standing of all fraternal or beneficiary corporations.

SECTION 6. The commissioner of insurance shall investigate the character and standing of all such fraternal or beneficiary corporations, societies, orders or associations so applying, and if approved by him, and if the conditions of section 4, of this act, have been complied with, he shall notify such corporation, society, order or association of his approval; whereupon such corporation, society, order or association shall appoint in writing the commissioner of insurance or his successor in office to be its true and lawful attorney, upon whom all legal process in any action or proceeding against it may be served, and in such writing shall agree that any legal process against it which is served on said attorney, shall be of the same legal force and validity as if served upon it, and the authority shall continue in force so long as there is any liability against it in this state, in the same manner as other insurance corporations are required by the statutes; provided, however, that no license to do business in this state shall be issued to any such corporation, society, order or association to whose country, state or territory any Wis-

consin corporation, society, order or association on the assessment plan, which complies with the requirements of this act, has been or would be, refused admission to do business in such country, state or territory. The commissioner of insurance shall also refuse his authority to organize and also his license to do business, to any society, order or association whose name or title, he shall deem too similar to one already appropriated, or likely to mislead the public in any respect. These conditions having been complied with, the commissioner of insurance shall issue to each corporation, society, order or association, a license, after which it shall have authority to transact business in this state; and said license shall continue in force until revoked in accordance with the provisions of this act.

SECTION 7. Every such mutual benefit corporation, society, order or association, that is authorized to do business in Wisconsin, shall, on or before the first day of March of each year, make and file with the commissioner of insurance of this state, a report of its affairs and its operations during the year ending on the thirty-first day of December immediately preceding. Such report shall be upon blank forms to be provided by such commissioner of insurance, and shall be verified under oath by the duly authorized officers of such corporations, societies, orders or associations, and shall be published, or the substance thereof, in his annual report, by such commissioner of insurance, under a separate part, entitled, "mutual benefit societies, orders or associations," and shall contain answers to the following questions:

1. Number of certificates issued during the year, or members admitted.
2. Amount of indemnity affected 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 or heirs.

Report to be filed with commissioner of insurance annually on blanks to be furnished by said commissioner.

What the blanks shall contain.

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. Does society charge annual or other periodical dues or admission fees?

10. How much on each one thousand dollars annually or per capita, as the case may be?

11. Total amount received, from what source, and disposition thereof.

12. State total amount of salaries paid to officers.

13. Does society guarantee 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. Has the society a reserve fund?

16. If so, how is it created, and for what purpose, the amount thereof, and how invested?

17. Has the society 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, state under what law and at what time.

21. If organized under the laws of any other state or territory, or of the District of Columbia, or of any foreign country, state such fact and the date of such organization, giving chapter and year and date of passage of the act.

22. Number of certificates of membership in force at beginning and end of year; if more than one class, number of each class.

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 in each class.

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 class.

28. Have all claims been paid in full? If not, why not?

29. Approximate maximum and average age of membership in each class in the society.

30. Liabilities, assets, contingent liabilities, contingent assets.

The commissioner of insurance is authorized and empowered to address any additional inquiries to any of the corporations, societies, orders or associations referred to in this act, and it shall be the duty of the proper officers so addressed to properly reply in writing, under oath, to all such inquiries. All such corporations, societies, orders or associations, together with their books, papers and vouchers, shall be subject to visitation and inspection by the commissioner of insurance or such person or persons as he may at any time designate. Any such corporation, society, order or association refusing or neglecting to make such report shall be excluded from doing business within this state. Said commissioner of insurance must, within thirty days after failure to make such report, or in case any such corporation, society, order or association shall exceed its powers or shall conduct its business fraudulently, or shall fail to comply with any of the provisions of this act, revoke the license of such corporation, and no corporation, society, order or association so proceeded against, shall have authority to continue business until such report shall be made or overt acts or violations complained of shall have been corrected, and until the costs of such action be paid by it, whereupon the commissioner of insurance shall reinstate the corporation, society, order or association, and not until then, shall such corporation, society, order or association be allowed to again do business in this state.

Commissioner of insurance authorized to address any additional inquiries necessary.

SECTION 8. Any officer, agent, person or persons acting for any corporation, society, or

Penalty for doing business after enjoined.

der or association within this state after such association has been enjoined or prohibited from doing business pursuant to this act, shall be deemed guilty of an offense and on conviction thereof shall be punished by a fine not less than twenty-five dollars nor more than two hundred dollars, or by imprisonment in the county jail not less than thirty days nor more than one year, or by both such fine and imprisonment in the discretion of the court.

Penalty for soliciting insurance for prohibited companies.

SECTION 9. Any person who shall, as officer, agent or representative in any capacity whatever, or who shall in any manner solicit, advise, aid, assist or procure, or in any way or manner be instrumental or participate in soliciting, advising, aiding, assisting in securing or inducing any person to become a member of any assessment plan, corporation, society, order or association conducted for mortuary, endowment, sick, accident or permanent disability benefit, or any other kind of plan of assessment insurance not authorized to transact business within this state under the provisions of this act, and the laws of this state, or who shall accept, collect, receive, or be instrumental in the collection or transmission of any admission fees, assessments, dues or payments of any kind whatever, on account of any such insurance or benefit certificate in any such corporation, organization, society, order or association not authorized to transact business within this state, shall be deemed guilty of a misdemeanor and on conviction thereof shall be punished by a fine of not less than fifty dollars nor more than three hundred dollars, or by imprisonment in the county jail not less than sixty days nor more than one year, or by both such fine and imprisonment, in the discretion of the court.

Cannot do business while judgment remains unpaid.

SECTION 10. No mutual benefit corporation, society, order or association authorized to do business within this state under the provisions of this act, against which a final judgment shall have been recovered in any court in this state shall, after ninety days from the rendition

of such judgment, and whilst the same remains unpaid, issue any new certificate or policy in this state, and in case any such corporation, society, order or association, or its officers or agents, shall violate the provisions of this section it shall forfeit the sum of one thousand dollars; provided, that in case of an appeal to the supreme court of this state, said ninety days shall not begin to run until after said judgment shall have been affirmed and the decision remitted to the lower court according to law.

SECTION 11. The money or other benefit, charity, relief or aid to be paid, provided or rendered by any corporation, society, order, or association authorized to do business under this act, shall be exempt from execution, and shall not be liable to be seized, taken or appropriated by any legal or equitable process, to pay any debt or liability of a member, beneficiary or beneficiaries of such member.

SECTION 12. Any officer, member, agent, solicitor or examining physician of any such corporation, society, order or association, or any other person who shall knowingly or wilfully make any false or fraudulent statement or representation in or with reference to any application for membership, or in or with reference to any documentary or other proof, for the purpose of obtaining membership in, or benefit from any such corporation, society, order or association, for himself or any other person, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in a sum not less than one hundred dollars nor more than one thousand dollars, or be imprisoned in the county jail not less than three months nor more than one year, or both, in the discretion of the court; and any certificate of membership, or policy, so secured shall be absolutely void.

SECTION 13. The commissioner of insurance shall, at the request of any corporation, society, order or association, doing business under the provisions of this act, make an examination of

Exempt from execution.

Penalty for officers making false documentary proof.

Commissioner of insurance shall examine business of association and issue a certificate.

such corporation, society, order or association, and shall furnish a certificate of the results of such examination, showing all its assets, how invested, and such other particulars as may be deemed necessary to show the character and condition of such corporation, society, order or association, and the necessary expense of the said examination shall be paid by the corporation, society, order or association requesting the same.

Necessary expenses shall be paid out of general fund for prosecutions.

SECTION 14. All necessary expenses incurred by the attorney-general, and the commissioner of insurance [in] prosecuting violations of this act, or misdemeanors under this act, shall be paid out of the general fund. The said attorney-general, and the commissioner of insurance shall certify to the secretary of state that the expenses incurred were actually necessary in the prosecution of said suits, whereupon it shall be the duty of the secretary of state to draw his warrant upon the state treasury for the same. All fines and forfeitures received under the provisions of this act, shall be paid into the general fund.

Penalty for false swearing.

SECTION 15. Any person who shall falsely make any sworn statement, verified report or declaration, under oath required or authorized by this act, shall, on conviction thereof, be punished by imprisonment not less than one year nor more than three years.

Term "assessment" defined.

SECTION 16. The term or word "assessment," when used in this act, or any other law of the state applicable to any corporation, society, order or association mentioned in this act, is hereby defined and shall be held to mean: That all death losses shall, in the main, be provided for by assessments upon surviving members, or that the amount estimated or required for death losses and benefits shall not be limited to a fixed sum.

Copies of the literature to be filed with insurance commissioner.

SECTION 17. Copies of the literature of each corporation, society, order or association seeking license or doing business in this state, shall be filed with the insurance commissioner, and if such literature is misleading in regard to

the business of such corporation, or is in conflict with any law of this state, it shall not be entitled to a license or permitted to do business in this state.

SECTION 18. Every corporation, society, order or association that does not pay the full face value of all its certificates shall state in its literature, and in soliciting business, how much is paid on each class, size or grade of its certificates of membership.

What literature shall state.

SECTION 19. It shall be the duty of the commissioner of insurance to revoke the license of any corporation, society, order or association, organized under the laws of any other state or territory of the United States, or of the District of Columbia, or any foreign country, which fails to comply with the terms of this act.

Commissioner of insurance authorized to revoke licenses.

SECTION 20. All licenses or permission to do business heretofore granted, shall expire on the first day of May, 1895, and all licenses hereafter issued shall be in writing, and shall expire on the first day of March succeeding the date of issue.

Expiration of licenses.

SECTION 21. Every corporation, society, order or association organized under the laws of any other state or territory of the United States, or of the District of Columbia, or any foreign country, shall pay an annual license fee of twenty-five dollars; provided, that societies and orders that now have a state grand lodge or state council in Wisconsin, shall be exempt from fees for renewal of license.

Annual license fee.

SECTION 22. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

SECTION 23. This act shall take effect and be in force from and after its passage and publication.

Approved April 10, 1895.