

SECTION 19. This act shall take effect and be in force from and after the sixth day of May, A. D. 1895.

Approved March 22, 1895.

No. 187, S.]

[Published March 25, 1895.

CHAPTER 64.

AN ACT to authorize the incorporation of a retail lumber dealers' Mutual Insurance Association.

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

Retail lumber dealers authorized to form an insurance company.

Organization, and how effected.

SECTION 1. It shall be lawful for any number of retail lumber dealers not less than twenty-five who collectively shall have capital invested in the retail lumber business, to the value of not less than fifty thousand dollars, to organize a mutual insurance association, for the purpose of insuring their stock of lumber, sheds, offices and fixtures generally kept in a retail lumber yard, against loss or damage by fire and lightning, by complying with the following conditions, viz.: They shall sign articles of organization which shall be substantially in the following form: "The undersigned retail lumber dealers of the state of Wisconsin and owners of more than fifty thousand dollars capital invested in the retail lumber business, do hereby associate together, by forming a mutual insurance association, under the name of the Retail Lumber Dealers' Mutual Insurance Association of Wisconsin, for the purpose of insuring the stock of lumber, sheds, offices and fixtures generally kept in a retail lumber yard, against loss or damage by fire and lightning. The elective officers of said association shall be a president and a

board of directors of six members, to be elected at the first meeting by the signers of the articles of association, three of said directors shall be elected and hold their office until the first annual meeting and three until the second annual meeting, or until their successors shall be elected. At the first annual meeting, and thereafter three members of said board of directors shall be elected annually, for a term of two years each. The president shall be elected annually, who by virtue of his office as president of the association shall be a member of the board of directors, and president of the board. The board of directors shall fix the time and place for holding the annual meeting and shall elect the secretary and treasurer and such other officers as may be provided for in the by-laws of the association. In witness whereof we have hereunto signed our names this—day of —, A. D. 18—.”

SECTION 2. Such articles of organization shall be subscribed to by at least twenty-five retail lumber dealers of the state of Wisconsin, who are owners of not less than fifty thousand dollars' worth of stock in retail lumber yards, which shall be insured by such association, and when so signed shall be filed in the office of the insurance commissioner of this state. After the articles of association have been filed with the commissioner, with proof that policies to cover the amount of insurance have been applied for, they shall be examined by the attorney-general, and if found in conformity with the law, the commissioner of insurance shall issue a certificate that said association is duly organized and is entitled to do business under the laws of this state.

25 dealers and \$50,000 stock required to form organization.

SECTION 3. The general management of the business of said association shall be vested in a president and six directors, each of whom shall during his term of office be a policy holder in said association. Their duties and election shall be as follows: The signers of the articles of association shall elect from their number a president and six directors, of which

Management and officers of the association.

the president and three directors shall hold their office until the first annual meeting, or until their successors are elected, and three directors until the second annual meeting; and at the first annual meeting and thereafter three members of said board of directors shall be elected for a term of two years each, the president shall be elected annually by the policy holders, who by virtue of his office as president of the association, shall be a member of the board of directors and also president of the same. The board of directors shall fix the time and place for holding the annual meeting and shall elect a secretary, treasurer and such other officers, whose duties and compensation shall be such as may be provided for in the by-laws.

By-laws to be adopted before commencing business.

SECTION 4. Such association, before commencing its business, shall prepare and adopt by-laws, which shall describe the duties of its officers, the manner, place and time of electing them, the directors, the place and manner of transacting its business and such other rules and regulations as may be deemed essential for the management of its affairs; such by-laws shall not be annulled, changed, suspended or repealed, except in the manner therein set forth, and a copy of [the] same and of any subsequent amendments thereto or changes therein shall be by the secretary forthwith filed with the commissioner of insurance, to be filed in his office.

Standard policies may be issued.

SECTION 5. Such association is authorized to issue standard policies of insurance signed by the president and secretary, agreeing to pay the person insured thereby against all loss and damage to the property insured, which he may sustain, by fire or lightning, for a period of not more than three years, not exceeding the amount of three thousand dollars.

Every policy holder to be a member of the association.

SECTION 6. Every holder of a policy of such insurance shall be a member of the association, and be entitled to one vote for each thousand dollars of insurance, or major fraction thereof, in the election of president and direct-

ors and shall be eligible to be elected to any office in such association. He shall be liable to the association for his pro rata share of all losses and damages by fire or lightning sustained by any other member and shall also be liable for his pro rata share of the expenses of the management of the business of such association, but this liability shall not exceed five times the amount of the cash premium required by the by-laws to be paid before the policy is issued, in addition to the premium so paid, and shall also be bound and subject to the by-laws thereof.

SECTION 7. The association shall in and by its by-laws provide for the manner in which such insurance shall be effected and the terms and conditions thereof, the time and manner in which such losses by it sustained under its policies of insurance shall be determined, proved, adjusted and paid, the time and manner and the officers to whom such assessment shall be paid. It shall also in and by its by-laws provide for such other regulations, terms and conditions as it may be necessary for effectively and fully carrying out its plans of insurance, and the said by-laws in force at the time of the date of any policy of insurance issued by the association shall have the force and effect of law in determination of all questions and claims assuring under such policy between the holder thereof and the said association.

Terms and conditions of insurance to be provided.

SECTION 8. The said association shall also in its by-laws provide the manner, terms and conditions upon which any member thereof may withdraw, or be suspended or policy cancelled.

How withdrawals may be effected.

SECTION 9. The secretary of the association shall prepare and submit to the members thereof at each annual meeting, a detailed statement of the conditions of such association, and its transactions for the preceding year, showing the number of policies and to whom issued, and the amounts insured thereby, the number of assessments made during

Detailed statement of business to be rendered annually.

the year, and the amounts paid in upon each assessment, the losses sustained during the year, and whether the same have been paid or adjusted or remain unpaid or unadjusted or are disputed and the amount of assessment unpaid, the number of members of the association, the number of new policies issued during the year, and an itemized statement of the expenses of such association during the year, and the amount and conditions of its funds, and such other matters as may be of interest to the members. A copy of such annual statement shall within thirty days after such meeting be filed with and presented to the insurance commissioner of this state.

Books and papers to be open to examination to all members.

SECTION 10. All the books, papers and files of such association shall at all times be open to the examination of any member thereof, his agent or attorney, and any such member, agent or attorney shall at all times have the right to make such copies of such books, papers and files as he may wish.

SECTION 11. All acts, parts of acts, conflicting with this chapter are hereby repealed.

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

Approved March 22, 1895.