

No. 687, A.]

[Published July 17, 1907.]

**CHAPTER 657.**

AN ACT to create sections 1950n, 1950o, 1950p, 1950q, 1950r, 1950s, and 1950t, of the statutes, limiting the expenses to be incurred or paid by life insurance companies after the year 1907, and requiring reports thereof.

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

SECTION 1. There are added to the statutes seven new sections to read:

\* \* \* \* \*

SECTION 2. This act shall take effect and be in force from and after the first day of January, 1908, after its passage and publication.

Approved July 16, 1907.

No. 691, A.]

[Published July 17, 1907.]

**CHAPTER 658.**

AN ACT to create section 1952f, 1952g, 1952h and 1952i, of the statutes, providing for the ascertainment and apportionment of deferred dividend surplus and requiring reports thereof.

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

SECTION 1. There are added to the statutes three new sections to read:

\* \* \* \* \*

SECTION 2. This act shall take effect and be in force from and after its passage and publication.

Approved July 16, 1907.

on any policy shall in no case exceed the difference between the premium and the mortality charge for such year.

(2) In any one of the four succeeding years, one and one-half of the amount which would be available under a level distribution of the maximum provision under subdivision b, over the premium paying period of the policy, computed upon the American Experience table of mortality with interest at three per centum per annum.

(3) In any year after the fifth year, the amount which would be available under a level distribution of the maximum provision under subdivision b, over the premium paying period of the policy, computed upon the American Experience table of mortality with interest at three per centum per annum.

This section shall not apply to policies of industrial insurance.

(Ch 668, 1907.)

**Life insurance companies to report expense charges and expenses annually; forms.** SECTION 1950n. Every foreign life insurance company doing business in this state or having in force any policies issued in this state, and every domestic life insurance company, shall, beginning with the first day of March, 1909, and on the first day of March each year thereafter, as of the calendar year preceding, make a report in writing to the commissioner of insurance in the following form:

Report of . . . . ., of expense charges and expenditures for the year ending December 31, 19. . . .

**FIRST YEAR BUSINESS.**

- (a) Total expense charges of first year contained in premiums for the first year of insurance received in said calendar year. . . . . \$ . . . . .
- (b) Total expenses incurred or paid:
  - 1. For commissions on first year's premiums. \$ . . . . .
  - 2. For advances to agents. . . . . \$ . . . . .
  - 3. For advertising . . . . . \$ . . . . .
  - 4. For such part of the expenses of medical examinations and inspections of risks not actually paid from savings on mortality \$ . . . . .
  - 5. The due proportion well and truly ascertained of all other expenses properly chargeable to first year's business, exclusive of expenses for medical examina-

tions and inspections of risks actually paid from gains on mortality, and of investment expenses, taxes, fees and licenses, actually paid from the savings on interest and the contingency reserve:	
For agency supervision.....	\$.....
For home office.....	\$.....
For other items.....	\$.....
Total .....	\$.....
<hr/>	
Total first year's expenses.....	\$.....

## TOTAL BUSINESS.

(c) Total expense charges becoming available in said calendar year .....	\$.....
(d) Expenses for medical examinations and inspection of risks.....	\$.....
Amount actually paid from the gains on mortality, to be deducted from above.....	\$.....
Balance of above expenses.....	\$.....
Total.....	
Fees and licenses... \$..	\$.....
Taxes .....	\$.....
Investment expenses ....	\$.....
Amount actually paid from savings on interest .....	\$.....
Contingency reserve.....	\$.....
Total to be deducted from above .....	\$.....
Balance of above expenses.....	\$.....
All other expenses.....	\$.....
<hr/>	
Total expenses .....	\$.....

(Ch. 657, 1907.)

**First year: expenses not to exceed expense charges.**  
**SECTION 1950o.** No company mentioned in section 1950n, shall incur or expend or permit any person, firm or corporation to incur or expend on its behalf, or under any agreement with it, during any calendar year, for the purposes specified in subdivision b, in section 1950n, an amount exceeding in the aggre-

gate the total expense charges specified in subdivision a, in section 1950n.

(Ch. 657, 1907.)

**Total business: expenses not to exceed expense charges.** SECTION 1950p. No company mentioned in section 1950n shall in any calendar year make or incur any expense, or permit any expenses to be made or incurred on its behalf or under any agreement with it, for all purposes (exclusive of such expenses for medical examinations and inspections of risks as are actually paid from the gains on mortality and of such investment expenses, taxes, fees and licenses as are actually paid from the savings on interest and the contingency reserve), in an amount exceeding in the aggregate the total expense charges specified in subdivision c in section 1950n.

(Ch. 657, 1907.)

**Any policy: expense not to exceed expense charge.** SECTION 1950q. No company mentioned in section 1950n shall in any calendar year, on account of any policy, make or incur any expense or permit any expense to be made or incurred on its behalf or under any agreement with it (exclusive of such expenses for medical examinations and inspections of risks as are actually paid from the gains on mortality and of such investment expenses, taxes, fees and licenses as are actually paid from the savings on interest and the contingency reserve), for commissions and advances to agents, greater than the expense charge becoming available on such policy in such calendar year.

(Ch. 657, 1907.)

**Compensation of agents.** SECTION 1950r. No such company, nor any person, firm or corporation on its behalf, or under any agreements with it, shall pay or allow to any agent, broker or other person, firm or corporation, for procuring an application for life insurance, for collecting any premium thereon or for any other service performed in connection therewith, any compensation other than that which has been determined in advance.

(Ch. 657, 1907.)

**No cumulative compensation.** SECTION 1950s. All bonuses, prizes and rewards and all increased or additional

commissions or compensations of any sort, based upon the volume of any new or renewed business, or upon the aggregate of policies written or paid for, or upon any other contingency, are prohibited.

(Ch. 657, 1907.)

**Exception of non-participating and industrial policies.**

SECTION 1950t. Sections 1950o, 1950p, 1950q, 1950r, and 1950s, shall not apply to stock corporations, issuing and representing themselves as issuing non-participating policies exclusively, nor to industrial policies.

(Ch. 657, 1907.)

**Mutual life insurance surplus to be apportioned annually to policies.** SECTION 1952a. Every life insurance company having in force any policy of insurance issued or delivered in this state upon the mutual or participating plan, shall annually, as of the thirty-first day of December, ascertain and determine the excess of its assets over all reserve liabilities and all other liabilities constituting its profits, savings, earnings or surplus, and also the amount of unapportioned surplus which it will retain therefrom as a contingency reserve. After setting aside such unapportioned surplus, such sums as may be required for the payment of authorized dividends upon the capital stock, if any, and such sums as may properly be held for account of existing deferred dividend policies, the remaining surplus shall be apportioned equitably to all other policies entitled to share therein.

(Ch. 636, 1907.)

**Participating policies to share surplus annually; exceptions.** SECTION 1952b. On all participating policies of life insurance heretofore or hereafter issued in this state, excepting policies of industrial insurance or of paid-up or temporary and pure endowment or other stipulated form of insurance issued or granted in exchange for lapsed or surrendered policies, and policies under the conditions of which the distribution of profits, savings, earnings or surplus is deferred for more than one year from the date of the policy, and contingent upon the policy being in force and the insured living at the completion of the period for which such distribution is deferred, the company shall annually ascertain and credit the share of each such policy in the profits, savings, earnings or surplus.

(Ch. 636, 1907.)