

No. 127, A.]

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**CHAPTER 270**

**AN ACT to repeal section 1951 of the statutes, and to create section 1951, relating to the investments of domestic life insurance companies.**

*The people of the State of Wisconsin, represented in Senate and Assembly, do enact as follows:*

**SECTION 1.** Section 1951 of the statutes is repealed.

**SECTION 2.** There is added to the statutes a new section to read: Section 1951. 1. Every life insurance company organized under the laws of this state may invest its assets as follows:

(a) In the lawfully authorized bonds or other evidences of indebtedness of the United States or of any state of the United States, or of the Dominion of Canada or of any province or city thereof.

(b) In the lawfully authorized bonds or other evidences of indebtedness of any county, city, town, village or school district within the United States, which shall be a direct obligation of the county, city, town, village or school district issuing the same.

(c) In loans upon improved and unincumbered real property in any state of the United States, and upon leasehold estates in improved real property for a term of fifty years or more where twenty-five years or more of the term is unexpired and where unincumbered except by rentals accruing therefrom to the owner of the fee, and where the mortgagee is entitled to be subrogated to all the rights under the leasehold; provided, that the fair market value of such real property or such leasehold estate including buildings, if any, at the time of the loan shall be at least twice the sum loaned thereon; provided, that where building value constitutes any part of the security, such buildings must be kept insured to an amount which, together with one-half the value of the land, or the leasehold estate, shall equal or exceed the loan, and the policy or policies of insurance thereon be assigned to and held by said corporation as collateral to such loan.

(d) In the mortgage bonds of terminal, belt line and railroad companies in the United States which are a direct obligation of a railroad corporation owning and operating not less than five hundred miles of track, on which default in payment of interest has not occurred within three years of the date of the investment therein.

(e) In first mortgage bonds of any public utility corporation, as defined in section 1797m—1 of the statutes, or any street

railway corporation, operating in cities in this state with a population of ten thousand or over, the gross earnings of which from operation of the property covered by the mortgage, for each five fiscal years next preceding such investment, annually amount to at least six times the annual interest charges on all of its first mortgage indebtedness, and the net earnings of which from operation of the property covered by the mortgage, for each of the five fiscal years next preceding such investment, above operating expenses including depreciation, maintenance and taxes, annually amount to not less than ten thousand dollars and are at least two and one-half times the annual interest charges on all of its first mortgage indebtedness, provided that such mortgage on such public utility or street railway is a closed mortgage and shall have been outstanding at least five years and does not exceed in amount one-half of the value of the physical property covered by such mortgage, and provided further that such public utility or street railway bonds shall mature not later than ten years from the date of investment of such funds therein under this section.

(f) In the mortgage bonds of the farm loan banks authorized under the Federal Farm Loan Act, and in obligations secured by mortgages or trust deeds authorized in subdivision (c) of this section.

(g) In loans upon collateral security of any of the foregoing securities, not exceeding ninety per cent of the market value of such securities.

(h) In loans upon the security of its own policies to an amount which with other indebtedness and unpaid installments of the annual premium and interest to the next policy anniversary shall not exceed the surrender value specified in the policy.

2. No domestic life insurance company shall make an investment not authorized by law; provided, however, that nothing in this law shall prohibit a company accepting in good faith, to protect its interests, securities or property other than herein referred to in payment of or to secure debts due the company.

SECTION 3. This act shall take effect upon passage and publication.

Approved May 23, 1917.