

*one-fortieth of its distance from the boundary of the airport in the case of class III and larger airports as classified by said administration.*

Approved July 30, 1947.

No. 69, S.]

[Published August 7, 1947.

### CHAPTER 487.

AN ACT to repeal 203.32 to 203.46, 203.48, 203.49 and 203.495; to amend 201.39 (7); to recreate 203.32; and to create 20.55 (8) of the statutes, relating to the regulation of rates for fire, marine and inland marine insurance and to rating organizations.

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

SECTION 1. 20.55 (8) of the statutes is created to read:

20.55 (8) REGULATION OF INSURANCE RATES AND PRACTICES. All moneys received by the commissioner of insurance under sections 203.32 to 203.48 shall be paid into the general fund and there is appropriated therefrom to such commissioner \$25,000 for the fiscal year ending June 30, 1948 and annually beginning July 1, 1948, \$25,000 for the execution of his functions under said sections.

SECTION 2. 201.39 (7) is amended to read as follows:

201.39 (7) Such attorney shall, within the time limited for filing the annual statement by insurance companies transacting the same kind of business, make a report to the commissioner of insurance for each calendar year showing the financial condition of affairs at the office where such contracts are issued, and shall furnish such additional information and reports as may be required; provided, however, that such attorney shall not be required to furnish the names and addresses of any subscribers. The business affairs and assets of such organizations shall be subject to examination by the commissioner of insurance in the same manner as in the case of other insurance carriers, and such exchanges shall also be subject to any *rating or anti-discrimination or antirebating* laws applicable to other fire and casualty insurance carriers, except that any such *antirebating* law shall not be construed to include or apply to savings or dividends paid to subscribers or credited to their account.

SECTION 3. 203.32 to 203.46, inclusive, and 203.48, 203.49, and 203.495 are repealed and 203.32 is recreated to read as follows:

203.32 (1) PURPOSE OF SECTION. The purpose of this section is to promote the public welfare by regulating insurance rates to the end that they shall not be excessive, inadequate or unfairly discriminatory, and to authorize and regulate cooperative action among insurers in rate making and in other matters within the scope of this section. Nothing in this section is intended (1) to prohibit or discourage reasonable competition, or (2) to prohibit, or encourage except to the extent necessary to accomplish the aforementioned purpose, uniformity in insurance rates, rating systems, rating plans or practices. This section shall be liberally interpreted to carry into effect the provisions of this subsection. Section 201.60 shall not apply in respect to the subject matter of this section.

(2) SCOPE OF SECTION. (a) This section applies to fire and allied lines, marine and inland marine insurance as authorized under the provisions of 201.04 (1), (2) and (12) and 203.28 as written on risks located in this state by any company, association, or other carrier including interinsurers. Inland marine insurance shall be deemed to include insurance now or hereafter defined by statute, or by interpretation thereof, or if not so defined or interpreted, by ruling of the commissioner of insurance, hereinafter referred to as commissioner, or as established by general custom of the business, as inland marine insurance.

(b) This section shall not apply:

1. To reinsurance, other than joint reinsurance to the extent stated in subsection 11;

2. To insurance of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine, insurance policies;

3. To insurance of hulls of aircraft, including their accessories and equipment, or against liability arising out of the ownership, maintenance or use of aircraft;

4. To motor vehicle insurance, nor to insurance against liability arising out of the ownership, maintenance or use of motor vehicles;

5. To town mutual companies except as to specifically rated risks in incorporated villages and cities;

6. To windstorm, tornado and cyclone insurance and supplemental coverage written by domestic mutual companies on the assessment plan.

(c) If any kind of insurance, subdivision or combination thereof, or type of coverage, subject to this section, is also subject to regulation by another rate regulatory act of this state, an insurer to which both acts are otherwise applicable shall file with the commissioner a designation as to which rate regulatory act shall be applicable to it with respect to such kind of insurance, subdivision or combination thereof, or type of coverage.

(3) **MAKING OF RATES** (a) Rates shall be made in accordance with the following provisions:

1. Manual, minimum, class rates, rating schedules or rating plans, shall be made and adopted, except in the case of specific inland marine rates on risks specially rated.

2. Rates shall not be excessive, inadequate or unfairly discriminatory.

3. Due consideration shall be given to past and prospective loss experience within and outside this state, to the conflagration and catastrophe hazards, to a reasonable margin for underwriting profit and contingencies, to dividends, savings or unabsorbed premium deposits allowed or returned by insurer to their policyholders, members or subscribers, to past and prospective expenses both countrywide and those specially applicable to this state, and to all other relevant factors within and outside this state; and in the case of fire insurance rates consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent 5-year period for which such experience is available. In the case of classes of risks which do not develop an adequate amount of experience in this state, the experience in states with similar conditions prevailing on such risks may be taken into consideration if available.

(b) Except to the extent necessary to meet the provisions of paragraph (a) 2, uniformity among insurers in any matters within the scope of this subsection is neither required nor prohibited.

(c) Rates made in accordance with this subsection may be used subject to the provisions of this section and shall be considered in connection with rating schedules and underwriting

rules as applied to the coverage afforded by the policy provisions, including forms.

(4) **RATE FILINGS** (a) Every insurer shall file with the commissioner, except as to inland marine risks which by general custom of the business are not written according to manual rates or rating plans, every manual, schedule, minimum, class rate, rating schedule or rating plan and every underwriting rule, and every modification of any of the foregoing which it proposes to use. Every such filing shall state the proposed effective date thereof, and shall indicate the character and extent of the coverage contemplated.

(b) When a filing is not accompanied by the information upon which the insurer supports such a filing, and the commissioner does not have sufficient information to determine whether such filing meets the requirements of the section, he shall require such insurer to furnish the information upon which it supports such filing and in such event the waiting period shall commence as of the date such information is furnished. The information furnished in support of a filing may include (1) the experience or judgment of the insurer or rating organization making the filing, (2) its interpretation of any statistical data it relies upon, (3) the experience of other insurers or rating organizations, or (4) any other relevant factors. A filing and any supporting information shall be open to public inspection after the filing becomes effective. Specific inland marine rates on risks specially rated, made by a rating organization, shall be filed with the commissioner.

(c) An insurer may satisfy its obligation to make such filings by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings, and by authorizing the commissioner to accept such filings on its behalf; provided, that nothing contained in this section shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization.

(d) The commissioner shall review filings as soon as reasonably possible after they have been made in order to determine whether they meet the requirements of this section.

(e) Subject to the exception specified in paragraph (f), each filing shall be on file for a waiting period of 15 days before it becomes effective, which period may be extended by the commissioner for an additional period not to exceed 15 days if he gives written notice within such waiting period to

the insurer or rating organization which made the filing that he needs such additional time for the consideration of such filing. Upon written application by such insurer or rating organization, the commissioner may authorize a filing which he has reviewed to become effective before the expiration of the waiting period or any extension thereof. A filing shall be deemed to meet the requirements of this section unless disapproved by the commissioner within the waiting period or any extension thereof.

(f) Specific inland marine rates on risks specially rated by a rating organization shall become effective when filed and shall be deemed to meet the requirements of this section until such time as the commissioner reviews the filing and so long thereafter as the filing remains in effect.

(g) Under such rules and regulations as he shall adopt the commissioner may, by written order, suspend or modify the requirement of filing as to any kind of insurance, subdivision or combination thereof, or as to classes of risks, the rates for which cannot practicably be filed before they are used. Such orders, rules and regulations shall be made known to insurers and rating organizations affected thereby. The commissioner may make such examination as he may deem advisable to ascertain whether any rates affected by such order meet the standards set forth in subsection (3) (a) 2.

(h) Upon the written application of the insured, stating his reasons therefor, filed with and approved by the commissioner, a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

(i) On or after January 1, 1948, no insurer shall make or issue a contract or policy except in accordance with the filings which are in effect for said insurer as provided in this section or in accordance with paragraphs (g) or (h). This subsection shall not apply to contracts or policies for inland marine risks as to which filings are not required. Until January 1, 1948, or until new filing shall have become effective in accordance with the provisions of this section, the rates and underwriting rules in force for any insurer on October 1, 1947 shall be the rates and underwriting rules for such insurer. As to such rates and rules, the statutory provisions repealed by this section shall remain in effect until January 1, 1948.

(5) DISAPPROVAL OF FILINGS. (a) If within the waiting period or any extension thereof as provided in subsection

(4) (e), the commissioner finds that a filing does not meet the requirements of this section, he shall, except as provided in subsection (7) hereof, send to the insurer or rating organization which made such filing, written notice of disapproval of such filing specifying therein in what respects he finds such filing fails to meet the requirements of this section and stating that such filing shall not become effective.

(b) If within 30 days after a specific inland marine rate on a risk specially rated by a rating organization, subject to subsection (4) (f) has become effective, the commissioner finds that such filing does not meet the requirements of this section, he shall send to the rating organization which made such filing written notice of disapproval of such filing specifying therein in what respects he finds that such filing fails to meet the requirements of this section and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Said disapproval shall not affect any contract made or issued prior to the expiration of the period set forth in said notice.

(c) If at any time subsequent to the applicable review period provided for in paragraph (a) or (b), the commissioner finds that a filing does not meet the requirements of this section, he shall, after a hearing held upon not less than 10 days' written notice, specifying the matters to be considered at such hearing, to every insurer and rating organization which made such filing, issue an order specifying in what respects he finds that such filing fails to meet the requirements of this section, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to every such insurer and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

(d) Any person or organization aggrieved with respect to any filing which is in effect may make written application to the commissioner for a hearing thereon, provided, however, that the insurer or rating organization that made the filing shall not be authorized to proceed under this subsection. Such application shall specify the grounds to be relied upon by the applicant. If the commissioner shall find that the application is made in good faith, that the applicant would be so aggrieved if his grounds are established, and that such grounds otherwise justify holding such a hearing, he shall, within 30 days after receipt of such application, hold a hearing upon not less than

10 days' written notice to the applicant and to every insurer and rating organization which made such filing.

(e) If, after such hearing, the commissioner finds that the filing does not meet the requirements of this section, he shall issue an order specifying in what respects he finds that such filing fails to meet the requirements of this section, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to the applicant and to every such insurer and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

(f) No manual, minimum, class rate, rating schedule, rating plan, rating rule, or any modification of any of the foregoing which has been filed pursuant to the requirements of subsection (4) shall be disapproved if the rates thereby produced meet the requirements of this section.

(6) **RATING ORGANIZATIONS.** (a) A corporation, an unincorporated association, a partnership or an individual, whether located within or outside this state, may make application to the commissioner for license as a rating organization for such kinds of insurance, or subdivision or class of risk or a part or combination thereof as are specified in its application and shall file therewith (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation, and of its by-laws, rules and regulations governing the conduct of its business, (2) a list of its members and subscribers, (3) the name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting such rating organization may be served and (4) a statement of its qualifications as a rating organization. There shall be paid to the commissioner the sum of \$25 for such original filing. If the commissioner finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization and that its constitution, articles of agreement or association or certificate of incorporation, and its by-laws, rules and regulations governing the conduct of its business conform to the requirements of law, he shall issue a license specifying the kinds of insurance, or subdivision or class of risk or part of combination thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the commissioner within 60 days of the

date of its filing with him. Licenses issued pursuant to this subsection shall remain in effect during a license year from February 1 to January 31 succeeding unless sooner suspended or revoked by the commissioner. The fee for said license shall be \$100. Licenses issued pursuant to this subsection may be suspended or revoked by the commissioner, after hearing upon notice, in the event the rating organization ceases to meet the requirements of this subsection. Every rating organization shall notify the commissioner promptly of every change in (1) its constitution, its articles of agreement or association, or its certificate of incorporation, and its by-laws, rules and regulations governing the conduct of its business, (2) its list of members and subscribers and (3) the name and address of the resident of this state designated by it upon whom notices or orders of the commissioner or process affecting such rating organization may be served.

(b) If there are both stock and nonstock insurers in any fire insurance rating organization located in this state and consisting of 5 or more insurers, such nonstock insurer shall be entitled to at least 2 members on the managing committee. The managing committee shall hold a meeting at least once a year in the city where such resident rating organization has its principal office.

(c) Subject to rules and regulations which have been approved by the commissioner as reasonable, each rating organization shall permit any insurer, not a member, to be a subscriber to its rating services for any kind of insurance, subdivision, or class of risk or a part or combination thereof for which it is authorized to act as a rating organization. Notice of proposed changes in such rules and regulations shall be given to subscribers. Each rating organization shall furnish its rating services without discrimination to its members and subscribers. The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber, shall, at the request of any subscriber or any such insurer, be reviewed by the commissioner at a hearing held upon at least 10 days' written notice to such rating organization and to such subscriber or insurer. If the commissioner finds that such rule or regulation is unreasonable in its application to subscribers, he shall order that such rule or regulation shall not be applicable to subscribers. If the rating organization fails to grant or reject an insurer's application for



subscribership within 30 days after it was made, the insurer may request a review by the commissioner as if the application had been rejected. If the commissioner finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, he shall order the rating organization to admit the insurer as a subscriber. If he finds that the action of the rating organization was justified, he shall make an order affirming its action.

(d) No rating organization shall adopt any rule the effect of which would be to prohibit or regulate the payment of dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers.

(e) Co-operation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of this section is hereby authorized, provided the filings resulting from such co-operation are subject to all the provisions of this section which are applicable to filings generally. The commissioner may review such co-operative activities and practices and if, after a hearing, he finds that any such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this section, he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this section, and requiring the discontinuance of such activity or practice.

(f) Any rating organization or insurer may, and on order of the commissioner shall, provide for the examination of policies, daily reports, binders, renewal certificates, endorsements or other evidences of insurance, or the cancellation thereof, and such rating organization shall make reasonable rules, subject to the approval of the commissioner, governing their submission. Such rules shall contain a provision that in the event any insurer does not within 30 days furnish satisfactory evidence to the rating organizations of the correction of any error or omission previously called to its attention by the rating organization, it shall be the duty of the rating organization to notify the commissioner thereof. All information so submitted for examination shall be confidential. This paragraph shall not apply to policies and contracts as to which rates are not required by this section to be filed, nor to policies or contracts on farm property written under a merit rating plan nor to farm wind-

storm insurance written by domestic mutual insurance companies.

(g) Any rating organization may subscribe for or purchase actuarial, technical or other services, and such services shall be available to all members and subscribers without discrimination.

(7) DEVIATIONS. (a) Every member of or subscriber to a rating organization shall adhere to the filings made on its behalf by such organization except that any insurer may file with the commissioner and with the rating organization of which it is a member or to which it is a subscriber, a deviation upon any class of risk from the rates or any underwriting rule filed by such rating organization. Any such deviation of a rate shall be by a percentage increase or decrease, shall be uniform in its application to all risks in the same class and in the same regional classification, if any, and shall not be such as to result in a rate which is excessive, inadequate or unfairly discriminatory. Any such deviation shall not take effect for a period of 15 days after filing which waiting period may be extended for an additional period of 15 days by the commissioner if he gives written notice to the insurer and rating organization in accordance with the provisions of subsection (4) (d). Co-operation among insurers in the preparation, filing and use of deviations is hereby authorized. The commissioner may review such cooperative activities and practices and if, after hearing, held after notice to the insurer and rating organization involved in accordance with subsection (5), he finds that any such activity or practice is unfair or unreasonable, or otherwise inconsistent with the provisions of this section, he may issue a written order specifying in what respects he finds that such activity or practice fails to meet the requirements of this section and requiring the discontinuance of such activity or practice within such reasonable period thereafter as shall be fixed by said order. Any such deviation shall be subject to disapproval by the commissioner if after notice to said insurer and rating organization and hearing in accordance with the provisions of subsection (5) (c) the commissioner shall find that such deviation does not meet the requirements of this section. Any such order of disapproval shall specify in what respects he finds that such deviation fails to meet the requirements of this section. If such order is made after the expiration of the waiting period herein provided and any extension thereof made in accordance herewith, the order shall state when, within a reasonable period

thereafter such filing shall be deemed no longer effective. Until an order of disapproval has become effective in accordance with the provisions of this subsection, such deviation shall be deemed to meet the requirements of this section. When said order of disapproval is made after the expiration of said waiting period or any extension thereof, as hereinbefore provided, said disapproval shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order. Such deviation shall be subject to the provisions of paragraph (d) and (e) of subsection (5). In the event of an application for rehearing before the commissioner, he shall suspend his action in question pending the rehearing on such reasonable terms and conditions as he may impose. The action of the commissioner shall not become effective for a period of 10 days provided review proceedings are commenced within said period.

(b) The pendency of a review of any disapproval or other order of the commissioner made under the provisions of this subsection shall suspend such disapproval or order on such reasonable terms and conditions as may be imposed by the court. The aggrieved party shall make application to the court for an order fixing such terms and conditions within 10 days after commencement of such proceedings.

(8) **APPEAL BY MINORITY.** Any member of or subscriber to a rating organization may appeal to the commissioner from the action or decision of such rating organization in approving or rejecting any proposed change in or addition to the filings of such rating organization and the commissioner shall, after a hearing held upon not less than 10 days' written notice to the appellant and to such rating organization, issue an order approving the action or decision of such rating organization or directing it to give further consideration to such proposal, or, if such appeal is from the action or decision of the rating organization in rejecting a proposed addition to its filings, he may, in the event he finds that such action or decision was unreasonable, issue an order directing the rating organization to make an addition to its filings, on behalf of its members and subscribers, in a manner consistent with his findings, within a reasonable time after the issuance of such order.

(9) **INFORMATION TO BE FURNISHED INSURED; HEARINGS AND APPEALS OF INSURED.** Every rating organization and every insurer which makes its own rates shall, within a reasonable time after receiving written request there-

for and upon payment of such reasonable charge as it may make, furnish to any insured affected by a rate made by it, or to the authorized representative of such insured, all pertinent information as to such rate. Every rating organization and every insurer which makes its own rates shall provide within this state reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his authorized representative, on his written request to review the manner in which such rating system has been applied in connection with the insurance afforded him. If the rating organization or insurer fails to grant or reject such request within 30 days after it is made, the applicant may proceed in the same manner as if his application had been rejected. Any party affected by the action of such rating organization or such insurer on such request may, within 30 days after written notice of such action, appeal to the commissioner, who, after a hearing held upon not less than 10 days' written notice to the appellant and to such rating organization or insurer, may affirm or reverse such action.

(10) **ADVISORY ORGANIZATIONS.** (a) Every group, association or other organization of insurers, whether located within or outside this state, which assists insurers which make their own filings or rating organizations in rate making, by the collection and furnishing of loss or expense statistics, or by the submission of recommendations, but which does not make filings under this section, shall be known as an advisory organization.

(b) Every advisory organization shall file with the commissioner (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation and of its by-laws, rules and regulations governing its activities, (2) a list of its members, (3) the name and address of a resident of this state upon whom notices or orders of the commissioner or process issued at his direction may be served, and (4) an agreement that the commissioner may examine such advisory organization in accordance with the provisions of subsection (12).

(c) If, after a hearing, the commissioner finds that the furnishing of such information or assistance involves any act or practice which is unfair or unreasonable or otherwise inconsistent with the provisions of this section, he may issue a written order specifying in what respects such act or practice is unfair or unreasonable or otherwise inconsistent with the

provisions of this section, and requiring the discontinuance of such act or practice.

(d) No insurer which makes its own filings, nor any rating organization shall support its filings by statistics or adopt rate making recommendations, furnished to it by an advisory organization which has not complied with this subsection or with an order of the commissioner involving such statistics or recommendations issued under paragraph (c). If the commissioner finds such insurer or rating organization to be in violation of this subsection he may issue an order requiring the discontinuance of such violation.

(11) **JOINT UNDERWRITING OR JOINT REINSURANCE.** (a) Every group, association or other organization of insurers which engages in joint underwriting or reinsurance, shall be subject to regulation with respect thereto as herein provided, subject, however, with respect to joint underwriting, to all other provisions of this section and, with respect to joint reinsurance, to subsections (12) and (15) to (18). Nothing herein shall limit the regulation provided in this section of the original contracts which may be the subject of such reinsurance.

(b) If, after a hearing, the commissioner finds that any activity or practice of any such group, association or other organization is unfair or unreasonable or otherwise inconsistent with the provisions of this section, he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this section, and requiring the discontinuance of such activity or practice.

(12) **EXAMINATIONS.** The commissioner shall, at least once in 5 years, make or cause to be made an examination of each rating organization licensed in this state as provided in subsection (6), and he may, as often as he may deem it expedient, make or cause to be made an examination of each advisory organization referred to in subsection (10) and of each group, association or other organization referred to in subsection (11). The reasonable costs of any such examination shall be paid by the rating organization, advisory organization, or group, association or other organization examined upon presentation to it of a detailed account of such costs. The officers, manager, agents and employes of such rating organization, advisory organization, or group, association or other organization may be

examined at any time under oath and shall exhibit all books, records, accounts, documents, or agreements governing its method of operation. The commissioner shall furnish 2 copies of the examination report to the organization, group or association examined and shall notify such organization, group, or association that it may, within 20 days thereafter, request a hearing on said report or any facts or recommendations therein. Before filing any such report for public inspection the commissioner shall grant a hearing to the organization, group or association examined. The report of any such examination when filed for public inspection shall be admissible in evidence in any action or proceeding brought by the commissioner against the organization, group or association examined, or its officers or agents, and shall be prima facie evidence of the facts stated therein. The commissioner may withhold the report of any such examination from public inspection for such time as he may deem proper. In lieu of any such examination the commissioner may accept the report of an examination made by the insurance supervisory official of another state, pursuant to the laws of such state.

(13) RATE ADMINISTRATION. (a) *Recording and Reporting of Loss and Expense Experience.* The commissioner shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with him, which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid him in determining whether rating systems comply with the standards set forth in subsection (3). Such rules and plans may also provide for the recording and reporting of expense experience items which are specially applicable to this state and are not susceptible of determination by a prorating of countrywide expense experience. In promulgating such rules and plans, the commissioner shall give due consideration to the rating systems on file with him and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used for such rating systems in other states. No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system filed by it. The com-

missioner may designate one or more rating organizations or other agencies to assist him in gathering such experience and making compilations thereof, and such compilations shall be made available, subject to reasonable rules promulgated by the commissioner, to insurers and rating organizations. There shall be paid to the commissioner the sum of \$10 for filing of each Wisconsin underwriting experience report.

(b) *Interchange of Rating Plan Data.* Reasonable rules and plans may be promulgated by the commissioner for the interchange of data necessary for the application of rating plans.

(c) *Consultation with Other States.* In order to further uniform administration of rate regulatory laws, the commissioner and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers and rating organizations in other states and may consult with them with respect to rate making and the application of rating systems.

(d) *Rules and Regulations.* The commissioner may make reasonable rules and regulations in conformity with and necessary to enforce the provisions of this section. The commissioner shall require the filing of all basic policies and all standard forms used in this state for the kinds of insurance as to which rates are required to be filed by this section and may require the filing of other policies and forms when necessary to a review of a rate, rate schedule and rules or other review as provided in this section.

(14) **FALSE OR MISLEADING INFORMATION.** No person or organization shall wilfully withhold information from, or knowingly give false or misleading information to, the commissioner, any statistical agency designated by the commissioner, any rating organization, or any insurer, which will affect the rates or premiums chargeable under this section. A violation of this subsection shall subject the one guilty of such violation to the penalties provided in subsection (15).

(15) **PENALTIES.** (a) Any person or organization who has violated any of the provisions of this section shall be punished by a fine of not more than \$50 for each such violation, but if such violation is held to be wilful, such person or organization shall be punished by a fine of not less than \$50 nor more than \$500.

(b) The commissioner may suspend the license of any rating organization or insurer which fails to comply with an order

of the commissioner within the time limited by such order, or any extension thereof which the commissioner may grant. The commissioner shall not suspend the license of any rating organization or insurer for failure to comply with an order pending any application for rehearing, nor until the time prescribed for an appeal therefrom has expired nor, if an appeal has been taken, until such order has been affirmed. The commissioner may determine when a suspension of license shall become effective and it shall remain in effect for the period fixed by him, unless he modifies or rescinds such suspension, or until the order upon which such suspension is based is modified, rescinded or reversed.

(c) No penalty shall be imposed and no license shall be suspended or revoked except upon a written order of the commissioner, stating his findings, made after a hearing held upon not less than 10 days' written notice to such person or organization specifying the alleged violation.

#### (16) HEARING PROCEDURE AND JUDICIAL REVIEW.

(a) Any insurer or rating organization aggrieved by any order or decision of the commissioner made without a hearing, may, within 30 days after notice of the order or decision to the insurer or organization, make written request to the commissioner for a hearing thereon. The commissioner shall hear such party or parties within 20 days after receipt of such request and shall give not less than 10 days' written notice of the time and place of the hearing. Within 10 days after such hearing the commissioner shall affirm, reverse or modify his previous action, specifying his reasons therefor. Pending such hearing and decision thereon the commissioner may suspend or postpone the effective date of his previous action. Any approval, disapproval, order or decision of the commissioner under this section made after a hearing shall be subject to review at the instance of any party in interest in the manner provided in chapter 227.

(b) The procedure in the conduct of hearings and making of approvals, disapprovals and any other orders by the commissioner under the provisions of this section and the review thereof in court shall be governed by the provisions of chapter 227 of the statutes, except so far as they may be inconsistent with specific provisions of said section. No application for rehearing or any rehearing shall be a condition precedent to review in court of any approval, disapproval or other order of the commissioner made under the provisions of said section. In



the event of an application for rehearing before the commissioner, he shall stay his action in question pending the rehearing upon such reasonable terms and conditions as he may impose. The action of the commissioner shall not become effective for a period of 10 days provided review proceedings are commenced within said period. The pendency of a review of any disapproval or other order of the commissioner made under the provisions of subsection (5) shall suspend such disapproval or order on such reasonable terms and conditions as may be imposed by the court. The aggrieved party shall make application to the court for an order fixing such terms and conditions within 10 days after the commencement of such proceedings.

(17) CONSTITUTIONALITY. If any section, subsection, subdivision, paragraph, sentence or clause in this section is held invalid or unconstitutional, such decision shall not affect the remaining portions of this section.

SECTION 4. This act shall take effect October 1, 1947.

Approved July 30, 1947.

No. 102, S.]

[Published August 7, 1947.

### CHAPTER 488.

AN ACT to amend 76.01, 76.07 (1) and (2), 76.13 (1) and (2), 76.28 (1) to (3), 76.29 (1) and (4); and to create 76.02 (5b) and 76.28 (7) of the statutes, relating to taxation of pipe line companies.

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

SECTION 1. 76.01 of the statutes is amended to read:

76.01 The department of taxation shall make an annual assessment of the property of all railroad companies, of all street railway companies, of all light, heat and power companies, of all telegraph companies, of all conservation and regulation companies, of all sleeping car companies, of all air carriers, \* \* \* of all express companies, and of all pipe line companies, within this state, for the purpose of levying and collecting taxes thereon, as provided in this chapter.

SECTION 2. 76.07 (1) and (2) of the statutes are amended to read:

76.07 (1) The department on or before June 1 in each year