

CHAPTER 406.

AN ACT to repeal 201.85 and to create 185.30 to 185.35 of the statutes, relating to voluntary benefit plans conducted by interscholastic athletic associations.

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

SECTION 1. 185.30 to 185.35 of the statutes are created to read:

185.30 VOLUNTARY BENEFIT PLANS IN SCHOOLS. (1) Any plan directed by schools or school authorities in this state, as members of a voluntary association or otherwise, whereby benefits are provided for injury or accidental death of pupils attending such schools arising out of or in conjunction with athletic activities or in any other manner, may be organized and operated only in accordance with sections 185.30 to 185.35. Such plans must be nonprofit and without capital stock.

(2) Any plan may contract to provide its scheduled benefits to students.

(3) Boards of school districts and municipalities however classified are authorized to pay the whole or a part of the dues and fees required to provide the benefits of any such plan to students within their jurisdiction notwithstanding any other statute to the contrary.

(4) The governing body shall consist of not less than 3 nor more than 7 individuals who shall be the same individuals who comprise the governing body of the organization sponsoring the plan.

(5) The fiscal year for such plans shall be from July 1 to June 30.

185.31 REQUIREMENTS OF PLANS. Every such interscholastic benefit plan shall be exempt from the state insurance laws but the sponsoring association shall: (a) File with the commissioner of insurance its rules and regulations and a schedule of the benefits contemplated, together with the form of agreement entered into with students, parents, guardians or others all of which shall be subject to approval by the commissioner.

(b) File with the commissioner for his approval rates applicable to the benefit schedule.

(c) File with the commissioner its constitution and by-laws.

(d) Invest its funds only in property and securities approved for domestic life insurance companies.

(e) File with the commissioner on such forms as may be prescribed by him an annual report of its financial condition as of June 30 each year on or before the last day of August following.

(f) Maintain sufficient reserves to discharge its obligations and for any pre-payment of dues or fees collected.

(g) Have participants in each fiscal year of at least 25,000 students taking part in athletic programs or at least 50,000 students if others than those engaged in athletics are included. Any such interscholastic benefit plan may administer benefit plans for other groups which do not have the required minimum number, provided the funds of such other groups are segregated.

(h) The governing body shall elect its officers and determine the method of handling claims.

185.32 POWER TO BORROW MONEY. Such benefit plans may borrow money to pay losses and expenses incurred during any fiscal year but every such loan must be repaid prior to the end of the calendar year in which it is made.

185.33 AUTHORITY TO ENJOIN UNLAWFUL OPERATION. The books and records of any plan under sections 185.30 to 185.35 shall at all times be subject to examination by the commissioner of insurance. If at any time the commissioner shall find that any such plan does not comply with sections 185.30 to 185.35, the commissioner shall direct such plan to comply with said provisions. In the event that any plan fails to comply with such order, the commissioner may commence an action in the circuit court in the county where the principal office of such plan is located for the purpose of enjoining the continued operation of said plan. If the court shall find that any such plan or plans being operated fails to comply with sections 185.30 to 185.35 in such a material manner as to jeopardize the rights of others to receive benefits to which they are entitled, the court may enjoin the continued operation of such plan.

185.34 EXEMPT FROM TAXATION. Every such plan is hereby declared to be a charitable and benevolent organization and its property, real, personal and mixed, its income, and property transferred to it, shall be exempt from taxation as provided in sections 70.11, 71.01 (3), 72.04 and 72.75 to 72.81, and its employes shall be excluded from the provisions of chapter 108 as provided in section 108.02.

185.35 INCONSISTENT PROVISIONS OF STATUTES. Such plans organized or permitted to operate under this chapter shall be operated exclusively under sections 185.30 to 185.35. Other provisions of the statutes inconsistent with any such provision shall not be applicable to athletic benefit plans operating pursuant to those sections, but any plan operating under authorization of section 201.85 prior to the effective date of this act may continue such operation until September 1, 1951, after which date it shall comply fully with the requirements of this act.

SECTION 2. 201.85 of the statutes is repealed.

Approved June 26, 1951.
