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CHAPTER 433

AN ACT to renumber 201.25 (1) (m); to amend 201.16 (1), 201.18 (2), 201.24 (1), 201.25 (2) and 204.40 (1); and to create 201.05 (7), 201.185 and 201.25 (1) (m) of the statutes, relating to title insurance and its regulation.

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

SECTION 1. 201.05 (7) of the statutes is created to read:

201.05 (7) Any insurer licensed to transact the business mentioned in s. 201.04 (8) may also prepare and sell abstracts of title and related documents and certificates.

SECTION 2. 201.16 (1) of the statutes is amended to read:

201.16 (1) Except as otherwise provided by law, no single risk assumed by any insurance company shall exceed 10 per cent of the admitted assets, except that in a mutual company it may be a greater amount not exceeding 3 times the average policy or one-fourth of one per cent of the insurance in force, whichever is the greater. *Upon the business mentioned in s. 201.04 (8), the maximum single risk may be a greater amount not exceeding 50 per cent of the admitted assets.* Upon the business mentioned in s. 201.04 (14), in a stock company, the maximum single risk shall not exceed one-twentieth of the paid-up capital. Any reinsurance taking effect simultaneously with the policy shall be deducted in determining the risk.

SECTION 3. 201.18 (2) of the statutes is amended to read:

201.18 (2) The requirements of this section as to unearned premium or reinsurance reserve shall not apply to town mutual insurance companies organized under ch. 202, *or to insurance of the type specified in s. 201.04 (8).*

SECTION 4. 201.185 of the statutes is created to read:

201.185 RESERVES; TITLE INSURANCE. (1) Upon issuance of each policy of insurance of the type specified in s. 201.04 (8), commencing January 1, 1956, there shall be reserved initially a sum equal to 5 per cent of the premium charged therefor as a loss and reinsurance reserve.

At the end of each calendar year following the year in which the policy is issued, there may be a reduction in the sum so reserved in the amount of one-twentieth of such sum.

(2) Whenever in the judgment of the commissioner the loss and reinsurance reserve of any insurer under insurance specified in s. 201.04 (8), calculated in accordance with sub. (1), is inadequate, the commissioner may in his discretion require or permit such insurer to set up an additional loss reserve based on estimated individual claims or such other basis as he may approve.

SECTION 5. 201.24 (1) of the statutes is amended to read:

201.24 (1) No domestic insurance company organized under any general law shall, directly or indirectly, deal in goods or commodities, excepting such as it may have insured and are claimed to be damaged by the risk insured against, *and excepting such as may be permitted by s. 201.05 (7)*.

SECTION 6. 201.25 (1) (m) of the statutes is renumbered 201.25 (1) (n).

SECTION 7. 201.25 (1) (m) of the statutes is created to read:

201.25 (1) (m) In such title records, including indexes, plats, maps, public records or copies thereof, and other documents and certificates as may be necessary for the convenient transaction of business by a company authorized to transact the business mentioned in ss. 201.04 (8) and 201.05 (7).

SECTION 8. 201.25 (2) of the statutes is amended to read:

201.25 (2) Before making any other investment, every domestic insurance corporation shall invest and keep invested an amount at least equal to the capital required of a stock corporation to transact the lines of business which it is authorized to transact, in any of the securities mentioned in sub. (1) (a), (b), (d), (e) and (f) in bonds or other evidences of indebtedness which meet the requirements of sub. (1) (ff) (intro. par.), 1, 4 and 5, or in loans upon real estate located within this state, *or in any of the investments mentioned in sub. (1) (m)*, provided that any investments made prior to May 22, 1945 and complying with all other subsections of this section shall not be deemed in violation of this subsection.

SECTION 9. 204.40 (1) of the statutes is amended to read:

204.40 (1) Every insurer shall file with the commissioner every manual of classifications, rules and rates, every rating plan and every modification of any of the foregoing which it proposes to use, including short rate tables. Every such filing shall state the proposed effective date thereof, and shall indicate the character and extent of the coverage contemplated. Such short rate tables shall specify the percentages of the premium to be charged or retained by the insurer, and shall cover all policies of insurance the term of which is less than the term prescribed for such insurance by the rate and rating schedules as filed by such insurer or by a rating bureau or organization in behalf of such insurer. When a filing is not accompanied by the information upon which the insurer supports such filing, and the commissioner does not have sufficient information to determine whether such filing meets the requirements of ss. 204.37 to 204.54, he shall require such insurer to furnish the information upon which it supports such filing, and in such event the waiting period as to a filing made by a rating organization shall commence as of the date such information is furnished. Such requirement to furnish information shall not extend the effective date as to a filing made by an insurer for a kind

of insurance or subdivision thereof as to which such insurer is not a member of or subscriber to a rating organization. The information furnished in support of a filing may include: (a) the experience or judgment of the insurer or rating organization making the filing, (b) its interpretation of any statistical data it relies upon, (c) the experience of other insurers or rating organizations, or (d) any other relevant factors. A filing and any supporting information shall be open to public inspection after the filing becomes effective. *Rates for the insurance specified in s. 201.04 (8) may be segregated from charges for examination of titles to real and personal property or furnishing information relative thereto.*

Approved August 17, 1955.
