

No. 393, A.]

[Published October 18, 1961.]

**CHAPTER 562**

AN ACT to repeal 76.30 (2) and 206.41 (4) (c) and (12); to amend 76.30 (1), 76.34 (1), 76.37, 185.983 (1) (intro. par.), 185.992 (intro. par.), 200.03 (6), (14) and (16), 200.15 (1) and (2) (a), (b) and (e), 200.26 (7), 201.25 (1) (n) and (4), 201.30 (3), 201.31, 201.34 (1), 201.39 (4) and (11), 201.41 (1), 201.43 (1), 201.44 (1), 201.50 (1), 201.53 (10), 201.63 (1), 201.74 (2), 203.06 (6), 203.24 (1), (2), (6) and (10), 203.32 (6) (a), (10) (b) and (13) (a), 204.04 (1), 204.42 (1), 205.16, 206.02 (3) (b) and (11), 206.21, 206.41 (5) (a), (c) and (d) and (6) (a), (7) (b) (intro. par.), (9) (a) and (b) and (11) (b) and (c), 208.26 (5) and 208.35; to repeal and recreate 200.13, 201.24 (4), 206.41 (9) (c), 208.31 and 209.04; and to create 76.305, 201.03 (1) (c) and (10), 201.045, 201.34 (5) and 206.41 (6) (c) of the statutes, relating to fees charged the insurance industry by the state; licensing of domestic insurers; duties of the insurance commissioner; investments of insurance companies; statutes applicable to foreign insurers; town mutual insurance company articles of organization; insurance on nuclear facilities; fire insurance adjusters' reports; annual statements of mutual benefit societies; and qualifications and licensing of life insurance agents and other insurance agents gen-

erally and specifically as regards forms, procedures, advisory boards, possession of licenses and disciplinary actions, providing penalties and granting rule-making powers.

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

SECTION 1. 76.30 (1) of the statutes is amended to read:

76.30 (1) Every company transacting the business of insurance against fire \* \* \* or marine \* \* \* loss, other than companies excepted under subs. (2) and (3) \* \* \*, shall pay to the state on or before March 1 in each year, a tax of 2 $\frac{3}{8}$  per cent on the amount of the gross premiums received for direct insurance, less return premiums and cancellations on direct insurance, by such company during the preceding year, in this state. Direct insurance \* \* \* *includes* all insurance other than reinsurance. In case any company \* \* \* *discontinues* business in this state and reinsures the whole or a part of its risks without making payment of this tax, the company accepting such reinsurance shall pay the tax; and if several companies \* \* \* make such reinsurance the tax shall be apportioned between such companies in proportion to the original premiums upon the business \* \* \* in this state, so reinsured by each such company. Upon the payment of the tax herein provided, *and the fees required by s. 200.13*, such company may be licensed to transact its business until May 1 in the ensuing year, unless sooner revoked or forfeited according to law.

SECTION 2. 76.30 (2) of the statutes is repealed.

SECTION 3. 76.305 of the statutes is created to read:

76.305 MUTUAL INSURANCE COMPANIES; TAXES, CHARGES, DUES AND LICENSE FEES. No domestic mutual insurance company shall be required to pay any taxes, charges, dues or license fees to the state except those charges and dues provided for in ss. 200.04 (4), 200.13 and 200.17. This section shall not apply to annual license fees required under s. 76.34.

SECTION 4. 76.34 (1) of the statutes is amended to read:

76.34 (1) If such company, corporation or association is organized under the laws of this state, it shall pay as \* \* \* *an annual* license fee \* \* \* 3 $\frac{1}{2}$  per cent upon its gross income from all sources for the *preceding calendar* year \* \* \* excepting therefrom interest required to provide and maintain reserves according to the laws of this state, income from rents of real estate upon which said company, corporation or association has paid the taxes assessed thereon, and excepting also premiums collected on policies of insurance and contracts for annuities. No domestic company, corporation or association shall, however, in any year pay in the aggregate for license fee as prescribed herein and valuation fee as set forth in s. \* \* \* 200.13 (20) an amount in excess of the \* \* \* annual license fee which would have been payable by it in such year under sub. (2) had it been operating as a foreign company subject to said sub. (2) \* \* \*

\* \* \* Any domestic company, corporation or association having in excess of \$750,000,000 of insurance in force as of \* \* \* December 31 \* \* \* of the *preceding calendar* year shall not pay less \* \* \* *in the aggregate for a license fee as prescribed herein and valuation fee as set forth in s. 200.13 (20) than the amount of the annual license fee which would have been payable by it in such year under sub. (2) had it been operating as a foreign company subject to said sub. (2).*

SECTION 5. 76.37 of the statutes is amended to read:

76.37 (1) Every license issued pursuant to ss. 76.30 to 76.37, \* \* \* 201.045 and 201.34 shall certify that payment of the license fee or tax *and*

*the fee required by s. 200.13 (2)* has been made, be attested by the \* \* \* official seal of the commissioner of insurance thereto affixed, and \* \* \* be in such form as shall be approved by the attorney general.

(2) No suit shall be brought to restrain or enjoin the collection of any license fee or tax imposed or provided for by ss. 76.30 to 76.37, \* \* \* and the fees required by s. 200.13. Any company, corporation or association, aggrieved by the payment of any such license or other fee or tax, may maintain a suit against the state for the recovery thereof in the circuit court for Dane county within 6 months from the time of the payment thereof. The state may be served with a summons in such suit by delivering a copy to the attorney general or leaving it at his office in the capitol with one of his assistants.

(3) No action shall be commenced to compel the issuance of the \* \* \* certificate of authority provided for by s. \* \* \* 201.045 or 201.34 until the license fee imposed by ss. 76.30 to 76.37, \* \* \* and the fees under s. 200.13 have been fully paid.

(4) It \* \* \* is the duty of the attorney general to institute suit in the circuit court for Dane county to recover any such license fees or tax not paid within the time prescribed by ss. 76.30 to 76.37, \* \* \* and the fees required by s. 200.13. Nothing in this \* \* \* subsection shall be construed as amending or modifying in any respect the provision of ch. 285 \* \* \*.

SECTION 6. 185.983 (1) (intro. par.) of the statutes is amended to read:

185.983 (1) (intro. par.) Every such voluntary nonprofit sickness care plan shall be exempt from the state insurance laws, *with the exception of ss. 200.13 and 201.045* but the sponsoring association shall:

SECTION 7. 185.992 (intro. par.) of the statutes is amended to read:

185.992 (intro. par.) Every such interscholastic benefit plan shall be exempted from the state insurance laws, *with the exception of ss. 200.13 and 201.045* but the sponsoring association shall:

SECTION 8. 200.03 (6), (14) and (16) of the statutes are amended to read:

200.03 (6) He may upon payment of \* \* \* *the fee required by s. 200.13 (15) (c)* issue a surplus lines license, which shall be revocable at any time, to any agent authorized under s. 209.04 upon the conditions prescribed in s. 201.63.

(14) He shall keep in his office a complete \* \* \* *record* of all certificates of authority issued under \* \* \* *ss. 209.04 \* \* \* and 206.41.*

(16) The service of such process shall be made by leaving duplicate copies thereof in the hands or office of the commissioner of insurance and paying to him for the use of the state \* \* \* *the fee \* \* \* required by s. 200.13 (18)* for each company. A certificate by the commissioner of insurance showing such service and attached to the original or third copy of such process presented to him for that purpose shall be sufficient evidence thereof.

SECTION 9. 200.13 of the statutes is repealed and recreated to read:

200.13 FEES. There shall be paid to the commissioner the following fees:

(1) For filing documents for examination preliminary to initial licensing or for any other initial filing of documents required by law as a prerequisite for operating or otherwise providing services in this state, includ-

ing the filing of articles of incorporation, the first declaration or statement, a certified copy of charter, and others:

- (a) Domestic insurance companies; nonstock and stock, \$100;
- (b) Foreign insurance companies; nonstock and stock, \$100;
- (c) Alien insurance companies; nonstock and stock, \$100;
- (d) Interinsurers, \$100;
- (e) Rating bureaus, \$100;
- (f) Advisory organizations, \$100;
- (g) Motor clubs, \$100.
- (2) For issuing a certificate of authority:
  - (a) Domestic insurance companies; nonstock and stock, \$100;
  - (b) Foreign insurance companies; nonstock and stock, \$100;
  - (c) Alien insurance companies; nonstock and stock, \$100;
  - (d) Interinsurers, \$100;
  - (e) Rating organizations; fire, casualty and workmen's compensation, \$100;
  - (f) Motor clubs, \$100.
- (3) For annual renewal of certificate of authority:
  - (a) Domestic, foreign and alien nonstock companies, \$25;
  - (b) Domestic, foreign and alien stock companies, \$25;
  - (c) Interinsurers, \$25;
  - (d) Rating organizations; fire, casualty and workmen's compensation, \$100;
  - (e) Motor clubs, \$25.
- (4) For filing articles of amendment, domestic companies, the fee required by s. 180.87 (1) (b).
- (5) For filing a copy of amendment to the articles of incorporation of a foreign or alien company, the fee required by s. 180.87 (1) (L).
- (6) For filing articles of merger, domestic companies, the fee required by s. 180.87 (1) (c).
- (7) For filing a copy of articles of merger of a foreign or alien company, the fee required by s. 180.87 (1) (m).
- (8) For filing a statement of intent to dissolve, domestic companies, the fee required by s. 180.87 (1) (d).
- (9) For filing articles of dissolution, domestic companies, the fee required by s. 180.87 (1) (e).
- (10) For filing an application for withdrawal and final report of a foreign or alien insurance company, \$25.
- (11) For filing an application by a foreign or alien insurance company for amended certificate of authority to transact business in this state, \$5.
- (12) For filing an application to reserve a corporate name, the fee required by s. 180.87 (1) (f).
- (13) For filing a notice of transfer of a reserved corporate name, the fee required by s. 180.87 (1) (g).
- (14) For filing an annual statement, \$25.
- (15) For issuance or renewal of an annual license:
  - (a) Resident agent, \$1;
  - (b) Nonresident agent, \$10;
  - (c) Surplus lines, \$100;
  - (d) Adjusters of insurance, \$2.
- (16) For issuing a temporary agent's license, \$1.
- (17) For examination of an applicant for an agent's license or certificate of registration, \$5.
- (18) For service of process on the commissioner, \$2.
- (19) For certifying and affixing the commissioner's seal, \$1.
- (20) For the valuation of life insurance company policies; for every \$1,000 insured, \$0.01, but not to exceed the actual cost of making such valuation.

- (21) For a copy of a paper filed in his office:
- (a) Each standard size page or smaller: if copy is not furnished by the requester, \$0.30; if copy is furnished by the requester, \$0.06;
  - (b) Each legal size page: if copy is not furnished by the requester, \$0.40; if copy is furnished by the requester, \$0.08;
  - (c) Each annual statement page: if copy is not furnished by the requester, \$0.65; if copy is furnished by the requester, \$0.20;
  - (d) The minimum charge to be, \$1.
- (22) For each company or agent; per name, \$0.05.
- (23) For filing miscellaneous papers, \$1.
- (24) In case companies combine to effect insurance under a joint policy, each company shall pay the same fees as if each one wrote a separate policy.

(25) Town mutual insurance companies, voluntary nonprofit sickness care plans organized under s. 185.981 and interscholastic benefit plans organized under s. 185.991 are exempt from all provisions of this section except subs. (19) and (21). Mutual benefit societies are subject to this section except they are exempt from subs. (2), (3), (10), (11), (12), (13), (15), (16) and (17). Nonprofit service plans, as defined by s. 200.26, are subject to this section.

(26) For the purposes of this section "domestic company" means any authorized insurer incorporated or organized under any law of this state including mutual benefit societies and nonprofit service plans as defined by s. 200.26; "foreign company" means any insurer incorporated or organized under the laws of any state including mutual benefit societies; and "alien company" means any insurer incorporated or organized under the laws of any foreign nation, or of any province or territory not included under the definition of foreign company. "State" means any state of the United States, the government of Puerto Rico and the District of Columbia.

SECTION 10. 200.15 (1) and (2) (a), (b) and (e) of the statutes are amended to read:

200.15 (1) The commissioner shall preserve in permanent form a full record of his proceedings, including a concise statement of the condition of each insurance company *and mutual benefit society* visited or examined by him.

(2) (a) A list of all insurance companies *and mutual benefit societies* authorized to do business in this state during the year, with their names, locations, amounts of capital, dates of incorporation and commencement of business, and kind *or kinds* of insurance in which they are engaged, respectively.

(b) A list of the companies *and mutual benefit societies* which have ceased to do business in this state during such year and the reasons therefor; and of those admitted during the year.

(e) Such other information on the general conduct and conditions of all insurance companies doing business in this state as *he or* the governor deems necessary.

SECTION 11. 200.26 (7) of the statutes is amended to read:

200.26 (7) Such organizations and their agents, plans and contracts shall be subject to the provisions of s. 200.13 *relating to fees*, s. 201.045 *relating to licensing*, s. 201.25 relating to investments, ch. 207 relating to unfair methods of competition and unfair or deceptive acts or practices and s. 200.03 (18) relating to powers of the commissioner of insurance, to the same extent and in the same manner as if such organizations were domestic insurance corporations and to s. 209.04 relating to agents as provided in sub. (8) thereof. Such organizations shall also be subject to s. 201.18 (1) relating to premium reserves except that where risks are writ-

ten for more than one month and the premium or fee is paid on a monthly basis, the reserve shall be computed at 50 per cent of the monthly premium or fee received each month. Any investments made by a corporation organized under s. 182.032 prior to November 6, 1959 and which investments at the time they were made complied with ss. 206.34 and 206.35 shall not be deemed a violation of this subsection and such investments may at the option of such corporation be retained without being deemed a violation of this subsection.

SECTION 12. 201.03 (1) (c) and (10) of the statutes are created to read:

201.03 (1) (c) It shall have received a license to do business under the provisions of s. 201.045.

(10) Any mutual insurance corporation which has been or may be organized under the provisions of this chapter may absorb by merger or consolidation any domestic town mutual insurance company, or wholly reinsure all of the risks of any such town mutual insurance company. To effect any such merger, consolidation or total reinsurance it shall be necessary:

(a) That the boards of directors of each of said corporations pass a resolution prescribing the terms and conditions of the proposed merger, consolidation or total reinsurance;

(b) That 2 certified copies of the resolution provided in par. (a) be filed with the commissioner of insurance by each of the companies and the commissioner shall within 10 days give his written approval or disapproval of the proposed merger, consolidation or total reinsurance to each of said companies. In case the commissioner disapproves such proposed merger, consolidation or total reinsurance he shall state his reasons therefor;

(c) That when the proposed merger, consolidation or total reinsurance is approved by the commissioner, a meeting of the policyholders of the town mutual insurance company shall be held on notice mailed to each of the policyholders of said company at least 30 days prior to the holding thereof, which notice shall embody a copy or the summary of the resolution adopted by the board of directors as provided in par. (a);

(d) That a two-thirds majority of the policyholders of said town mutual insurance company present at such meeting, by resolution, approve and ratify the action of their directors and vote to carry out the proposed merger, consolidation or total reinsurance. Within 10 days after the adoption of such resolution, 2 copies thereof, with the affidavit of the president and secretary showing compliance with the law, shall be forwarded to the commissioner by such town mutual insurance company. The procedure for certifying and recording of amendment of articles required by s. 202.01 (4) shall be followed by such corporation losing its identity as a result of such merger, consolidation or total reinsurance. Any merger, consolidation or total reinsurance of a domestic town mutual insurance company by or into any mutual insurance corporation organized under this chapter approved by a two-thirds vote of the members present at an annual or special meeting of the policyholders of the town mutual insurance company prior to July 1, 1961, and approved by the commissioner of insurance is hereby validated to the same effect as though accomplished in accordance with this section.

SECTION 13. 201.045 of the statutes is created to read:

201.045 (1) The commissioner shall issue to any insurer incorporated or organized under any law of this state including town mutual insurance companies, nonprofit service plans as defined by s. 200.26, voluntary nonprofit sickness care plans organized under s. 185.981 and interscholastic

benefit plans organized under s. 185.991, a certificate of authority authorizing it to transact the business of insurance in this state upon satisfying himself that such insurer has met all requirements of law and that its methods and practices and the character and value of its assets will be such as to adequately safeguard the interests of its policyholders and the people of this state. Each such certificate of authority shall be issued for a period of no longer than one year and shall expire on May 1 next succeeding the date on which it becomes effective and may be renewed from year to year.

(2) Each certificate of authority issued under sub. (1) may be revoked or suspended or the renewal thereof denied by the commissioner if the insurer has not fully complied with all the requirements of law or if the insurer's methods and practices in the conduct of its business and the character and value of its assets are such as to inadequately safeguard the interests of its policyholders and the people of this state. If an insurer holds a certificate of authority to transact more than one kind of insurance, the commissioner may revoke, suspend or deny renewal as to one or more kinds of insurance authorized therein for the same cause and in the same manner that he is authorized to revoke such certificate of authority for all kinds of insurance authorized therein. No revocation or suspension of a certificate of authority or denial of a renewal thereof by the commissioner shall be made until after a hearing held upon not less than 10 days' written notice to the insurer. The action of the commissioner shall not become effective for a period of 10 days provided review proceedings are commenced within said period. In the event of an application for rehearing before the commissioner, as provided in s. 200.11, he shall suspend his action in question pending the rehearing on such reasonable terms and conditions as he may impose.

(3) Except town mutual insurance companies, voluntary nonprofit sickness care plans organized under s. 185.981 and interscholastic benefit plans organized under s. 185.991, every insurer obtaining or renewing its certificate of authority under sub. (1) or (2) shall pay therefor the fee required by s. 200.13 (2) or (3).

(4) No insurer incorporated or organized under any law of this state, including town mutual insurance companies, nonprofit service plans as defined by s. 200.26, voluntary nonprofit sickness care plans organized under s. 185.981 and interscholastic benefit plans organized under s. 185.991, shall transact insurance business in this state without having in effect a certificate of authority obtained or renewed under sub. (1) or (2).

(5) The terms "license" and "certificate of authority," as applied to the business of insurance and used in those statutes pertaining to the business of insurance, are synonymous and may be used interchangeably.

SECTION 14. 201.24 (4) of the statutes is repealed and recreated to read:

201.24 (4) (a) All investments and deposits of the funds of any such company shall be made in its corporate name.

(b) No director or other officer of any such company, and no member of a committee having any authority in the investment or disposition of its funds, shall receive, in addition to his fixed salary or compensation, any money or valuable thing, either directly or indirectly, or through any substantial interest in any other corporation or business unit, for negotiating, procuring, loaning or aiding in any purchase or sale of property, loan, deposit or investment, made by such company or any affiliate or subsidiary thereof; nor shall he be pecuniarily interested, either as principal, coprincipal, agent or beneficiary, either directly or indirectly or through any substantial interest in any other corporation or business unit, in any such purchase or sale of property, loan, deposit or investment. Nothing con-

tained herein shall prohibit a life insurance company from making a policy loan upon its policy contract in accordance with its regular loaning provisions to any policyholder, not exceeding the net reserve value of the policy contract, less any indebtedness to the company under the policy contract; nor shall anything contained herein prohibit a policyholder from being entitled to all benefits accruing under the terms of his policy contract.

SECTION 15. 201.25 (1) (n) and (4) of the statutes are amended to read:

201.25 (1) (n) In loans, securities or investments in addition to those permitted in this section, whether or not such loans, securities or investments qualify or are permitted as legal investments under its charter, or under other provisions of this section or under other sections of the statutes \* \* \*. *The portion of loans, securities and investments which is in excess of the limitations established by sub. (4) and s. 201.24 (2) shall not be deemed a permitted investment under this paragraph. The portion of the loan secured by a mortgage upon real property, permitted by par. (c), which does not exceed two-thirds of the then fair market value of said property, shall be deemed to be a permitted investment under par. (c) and the remainder of said loan may be deemed to be made under this paragraph. Any investment originally made under this paragraph which would subsequently, if it were then being made, qualify as a permitted investment under another paragraph of this subsection shall thenceforth be deemed to be a permitted investment under such other paragraph.* The aggregate of such company's loans, securities and investments under this paragraph shall not exceed 10 per cent of such company's admitted assets.

(4) No such corporation shall invest more than 10 per cent of its admitted assets in the stock or securities of any one private or municipal corporation \* \* \*.

SECTION 16. 201.30 (3) of the statutes is amended to read:

201.30 (3) The capital shall not be larger than the aggregate paid-up capital of the consolidating corporations unless such increase \* \* \* has been consented to in writing by the holders of three-fourths of the stock of each of the consolidating corporations. The same fee shall be paid for an increase of the capital above such aggregate paid-up capital, as in other cases on amendment of articles, *as required by s. 180.87 (1) (b).*

SECTION 17. 201.31 of the statutes is amended to read:

201.31 Corporations may be formed for the purpose of transacting the business of reinsurance; such reinsurance companies shall transact business only with authorized insurance companies and not through agents, and such reinsurance may include all classes and kinds of insurance permitted by the statutes, but every reinsurance company shall have capital equal to the capital required of other insurance companies, and shall hold reserves in the same amount and manner as required of other companies for each kind or class of insurance. Reinsurance companies may be incorporated, and foreign reinsurance companies may be admitted to transact business in this state, in the same manner as fire, life, casualty and surety corporations are, and shall comply with the laws regulating such corporations so far as the same may be applicable. \* \* \* *Alien, foreign and domestic reinsurance companies shall pay the same fees and taxes required to be paid by alien, foreign and domestic insurance companies, respectively.*

SECTION 18. 201.34 (1) of the statutes is amended to read:

201.34 (1) The commissioner shall upon being satisfied by investigation that any insurance company applying for license or relicense has fully complied with all provisions of law, and that its methods and practices in



the conduct of its business and the character and value of its assets are such as to safeguard the interest of its policyholders and the people of the state, issue to such company a license to transact business in this state, and shall renew the same from year to year so long as such company \* \* \* *meets* all requirements of law \* \* \*. *Such* license \* \* \* shall continue in force until the May 1 next after the effective date thereof, unless sooner revoked.

SECTION 19. 201.34 (5) of the statutes is created to read:

201.34 (5) Except as otherwise specifically provided, no such corporation shall be or continue to be licensed to do an insurance business in this state if it fails to comply substantially with any requirement or limitation of statute applicable to similar domestic insurance companies, which in the judgment of the commissioner is reasonably necessary to protect the interests of the people of the state.

SECTION 20. 201.39 (4) and (11) of the statutes are amended to read:

201.39 (4) Concurrently with the filing of the declaration provided for by the terms of sub. (3) \* \* \*, the attorney shall file with the commissioner of insurance an instrument in writing executed by him for said subscribers, conditioned that upon the issuance of certificate of authority provided for in sub. (10) \* \* \*, service of process may be had upon the commissioner of insurance, *subject to the fee in s. 200.13 (18)* in all suits in this state arising out of such policies, contracts, or agreements, which service shall be valid and binding upon all subscribers exchanging at any time reciprocal or interinsurance contracts through such attorney. Three copies of such process shall be served and the commissioner of insurance shall file one copy, forward one copy to said attorney, and return one copy with his admission of service.

(11) In lieu of all other taxes, licenses, or fees whatever, state or local, such attorney shall pay \* \* \* on account of the transaction of such business in this state, \* \* \* *the fees as required by s. 200.13*, and a license fee of 2 per cent upon the gross premiums or deposits during the preceding calendar year, deducting all amounts returned to subscribers or credited to their accounts other than for losses, except that the fee shall be at the rate of  $2\frac{3}{8}$  per cent upon the same basis for the insurance mentioned in s. 201.04 (1), and that from such latter fees there shall be set apart the fire department dues mentioned in s. 201.59.

SECTION 21. 201.41 (1) of the statutes is amended to read:

201.41 (1) No insurance company shall transact insurance business in this state without first having paid the license fees *as required in ss. 76.30 to 76.37, 200.13 (2) and 201.39 (11)* and obtained \* \* \* *a certificate of authority* as required by law.

SECTION 22. 201.43 (1) of the statutes is amended to read:

201.43 (1) Service of summons or other legal process upon the commissioner as attorney for any insurance company shall be deemed personal service, and shall be made by delivering 2 copies thereof to him or at his office and paying him \* \* \* *the fee \* \* \* required by s. 200.13 (18)*. A certificate by the commissioner showing such service shall be proof of service.

SECTION 23. 201.44 (1) of the statutes is amended to read:

201.44 (1) No policy of insurance shall be solicited, issued or delivered in this state, except through an agent lawfully authorized as to the kind of insurance effected by such policy. Under such regulations and restrictions as \* \* \* *is* deemed necessary by the commissioner of insurance, licenses may be issued to nonresident agents, other than persons who repre-

sent the insured, who are licensed by the state in which they reside upon payment of \* \* \* *the fee* \* \* \* *required by s. 200.13 (15) (b)*; but such agents shall not countersign any policy or contract of insurance.

SECTION 24. 201.50 (1) of the statutes is amended to read:

201.50 (1) Every insurance company *and mutual benefit society* shall annually by March 1 file with the commissioner a sworn statement concerning its affairs for the preceding calendar year, upon such forms and including such information as \* \* \* *is* prescribed by him. The statement of any company organized under the laws of any foreign country shall set forth its business and affairs in the United States, verified by its resident manager in the United States. The commissioner shall prepare forms of annual statement for the various kinds and classes of insurance companies and *mutual benefit societies*, suitable for eliciting a true and complete exhibit of the financial condition, character and methods of each company or society, and he shall include in such forms, requisition for information upon all important elements of business transacted in each kind and class of insurance, including gain and loss, and any matter, condition or requirement imposed by law and tending to a strict accountability of the management. The commissioner shall furnish annual statement blanks to the insurance companies and *mutual benefit societies*, and shall cause the information contained in the annual statements *which he deems pertinent* to be arranged in convenient form and published in his annual report.

SECTION 25. 201.53 (10) of the statutes is amended to read:

201.53 (10) Whenever it \* \* \* *appears* to the commissioner after a hearing upon notice, that any company, *or any officer* \* \* \* *of any company*, has violated any provision of this section, he shall revoke the license of such company \* \* \* to transact business in this state, and no other license shall be issued to such company \* \* \* within 3 years after such revocation, unless the commissioner \* \* \* in his order of revocation \* \* \* *fixes* a less time, which shall not be less than 6 months.

SECTION 26. 201.63 (1) of the statutes is amended to read:

201.63 (1) The commissioner of insurance may issue a surplus lines license to any agent authorized under s. 209.04 which shall grant such agent authority to procure the kinds of insurance provided for under s. 201.04 (1), (2), (5), (12) and (15) from companies not licensed in this state under the conditions prescribed in this section. Every license issued pursuant to this section shall be for a term expiring on January 31 next following the date of issuance and may be renewed for ensuing periods of 12 months. Before any such license \* \* \* *is* issued and before each renewal thereof a written application shall be filed by the applicant in such form as the commissioner \* \* \* *prescribes* and the fee provided therefor by s. \* \* \* *200.13 (15) (c)* shall be paid.

SECTION 27. 201.74 (2) of the statutes is amended to read:

201.74 (2) No certificate of authority shall be issued by the commissioner until the company has paid to the commissioner \* \* \* *the fee required by s. 200.13 (2) (f)*.

SECTION 28. 203.06 (6) of the statutes is amended to read:

203.06 (6) The standard policy shall not be mandatory for motor vehicle insurance or for marine, or for inland marine insurance, as the same is defined in s. 203.32 (2), or for insurance on growing crops, or for live-stock insurance *or for nuclear facilities*.

SECTION 29. 203.24 (1), (2), (6) and (10) of the statutes are amended to read:

203.24 (1) No person, except an agent holding a certificate of authority under s. 209.04, shall make any adjustment of a fire loss under an insurance policy covering hazards described in s. 201.04 (1), (2), (11), (12), (14) and (15), unless he \* \* \* holds a certificate under this section.

(2) A certificate of authority as a fire insurance adjuster, expiring January 31, following, may be issued by the commissioner to any person filing an application on a prescribed form and upon the payment of \* \* \* the fee \* \* \* required by s. 200.13 (15) (d).

(6) No fire loss for which a report is required under sub. (5) shall be paid unless the report of the adjustment signed by the adjuster shall show that the report \* \* \* required by this section \* \* \* has been filed.

(10) Subsection (1) shall not apply to adjusters for town mutual companies, nor to officers and employes of authorized insurers. \* \* \*

SECTION 30. 203.32 (6) (a), (10) (b) and (13) (a) of the statutes are amended to read:

203.32 (6) (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 bylaws, 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 \* \* \* fee required by s. 200.13 (1) (e) 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 bylaws, 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 or 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 \* \* \* as required by s. 200.13. 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 bylaws, 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.

(10) (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 bylaws, 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 com-

missioner or process issued at his direction may be served, and (4) an agreement that the commissioner may examine such advisory organization in accordance with \* \* \* sub. (12). *Every advisory organization shall pay the fees required by s. 200.13.*

(13) (a) 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 sub. (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 commissioner 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.

\* \* \*

SECTION 31. 204.04 (1) of the statutes is amended to read:

204.04 (1) Upon the request of any surety company that a certified copy of its certificate of authority be furnished to any designated officer in this state and upon the payment of the fee required by \* \* \* s. 200.13, the commissioner shall mail such copy to the designated officer who shall file the same. In case of revocation of the certificate of authority the commissioner shall immediately give notice thereof to each officer to whom a certified copy \* \* \* has been forwarded.

SECTION 32. 204.42 (1) of the statutes is amended to read:

204.42 (1) 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 subdivisions thereof as are specified in its application and shall file therewith (a) a copy of its articles of agreement or association or its certificates of incorporation, and of its bylaws, rules and regulations governing the conduct of its business, (b) a list of its members and subscribers, (c) 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 (d) a statement of its qualifications as a rating organization. *The fee for filing these documents shall be that required by s. 200.13 (1) (e).* 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 bylaws, 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 subdivisions 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. \* \* \* *Certificates of authority issued pursuant to this section shall remain in effect for one*

*year unless sooner suspended or revoked by the commissioner. Certificates of authority issued pursuant to this section 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 (a) its constitution, its articles of agreement or association or its certificate of incorporation, and its bylaws, rules and regulations governing the conduct of its business, (b) its list of members and subscribers and (c) 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. Every rating organization shall pay the fees as required by s. 200.13.*

SECTION 33. 205.16 of the statutes is amended to read:

205.16 The bureau shall procure annually from the commissioner a license to carry on its business. The license year shall end on the last day of February. The bureau shall pay to the commissioner \* \* \* *the fees required by s. 200.13.* The commissioner shall prescribe blanks and make needed regulations governing the licensing of the bureau.

SECTION 34. 206.02 (3) (b) and (11) of the statutes are amended to read:

206.02 (3) (b) There shall have been paid to the commissioner in case of a nonstock corporation, \* \* \* and in case of a stock corporation, the fee required by s. \* \* \* 200.13 (2) (a), prior to the issuing of the certificate of authority.

(11) No life insurance corporation shall do business in this state, nor shall any person act as its agent in receiving or procuring applications for life insurance except as provided in sub. (3), or in any manner aid in transacting such business for any such corporation until it \* \* \* *has* first procured a license therefor from said commissioner and have paid the license fee required by s. 76.34 *and the fees required by s. 200.13.*

SECTION 35. 206.21 of the statutes is amended to read:

206.21 Every life insurance company shall pay to the commissioner for the valuation of its policies made by him \* \* \* *the fee required by s. 200.13 (20).*

SECTION 36. 206.41 (4) (c) of the statutes is repealed.

SECTION 37. 206.41 (5) (a), (c), (d) and (6) (a) of the statutes are amended to read:

206.41 (5) (a) Each applicant for a license to act as a life insurance agent within this state *shall pay an examination fee as required in s. 200.13 (17) and* shall submit to a personal written examination to determine his competence with respect to life insurance and annuity contracts and his familiarity with the pertinent provisions of the laws of this state, and shall pass the same to the satisfaction of the commissioner; except that no such *fee or* written examination shall be required of an applicant \* \* \*, unless a license had not been issued to such applicant within *the 2 years immediately* preceding the date of filing his application.

(c) No person who \* \* \* *has* taken and failed to pass 2 examinations given pursuant to this section shall be entitled to take any further examination until after the expiration of 6 months from the date of the last examination in which he failed. An examination fee *as required by s. 200.13 (17)* shall be paid for each and every examination.

(d) The commissioner shall appoint an advisory board consisting of not less than 6 nor more than 9 members to make recommendations to him

with respect to the scope, type, frequency, grading of papers, announcement of results and generally the conduct of written examinations and the times and places within the state where they shall be held, the ways and means of passing upon the issuing licenses and generally to aid and assist the commissioner in carrying out the provisions of the law economically and in the interest of the insuring public, the companies and the applicants. The advisory board shall consist of persons experienced in the life insurance business, one-third of whom shall be officers or employes of Wisconsin domiciled life insurance companies, one-third shall be general agents or managers, and one-third licensed life insurance agents of whom one shall be an agent who solicits industrial life insurance. Two-thirds of the first advisory board shall be appointed for the term of 2 years and one-third \* \* \* for the term of one year and thereafter all members of the board shall be appointed for 2 years. \* \* \* The advisory board shall meet no less than 2 times in each calendar year. \* \* \*

(6) (a) If the commissioner is satisfied that the applicant is trustworthy and competent *and is a resident of this state (unless application is for a nonresident agent's license) and the annual fee for such license as required by s. 200.13 (15) has been paid or tendered* and the applicant, if required, has passed his written examination, a license shall be issued forthwith, limited to the insurer by whom the agent is to be appointed. If the applicant has not passed his written examination, \* \* \* the commissioner shall notify the applicant and the insurer in writing that a license will not be issued to him *for that reason*.

SECTION 38. 206.41 (6) (c) of the statutes is created to read:

206.41 (6) (c) Each insurer shall forward the original copy of each license to the agent named thereon to act for such insurer and each agent shall retain possession of such license while it is in effect and shall return same to the company for which it was issued at such time as his appointment is terminated by that company.

SECTION 39. 206.41 (7) (b) (intro. par.), (9) (a) and (b) and (11) (b) and (c) of the statutes are amended to read:

206.41 (7) (b) (intro. par.) The commissioner is further authorized to enter into reciprocal agreements with the appropriate official of any other state waiving the written examination *and the fee therefor* of any applicant resident in such other state, provided:

(9) (a) Each license issued to a life insurance agent shall expire on \* \* \* *November 1* following the date of issue *except that licenses issued prior to May 1, 1962 shall expire on that date and licenses issued during the period commencing May 1, 1962 and ending October 31, 1962 shall expire on November 1, 1963, unless prior \* \* \* to the applicable expiration date as set forth herein* it is revoked or suspended by the commissioner or the authority of the agent to act for insurer is terminated. *The fee for licenses issued during the period commencing May 1, 1962 and ending October 31, 1962 shall be 150 per cent of the otherwise applicable annual fee as required in s. 200.13 (15).*

(b) \* \* \* License renewals may be \* \* \* *effected from year to year upon request of the insurer, without further action on the part of the agent. License renewals for licenses expiring May 1, 1962 shall be subject to a fee of 150 per cent of the otherwise applicable annual fee as required in s. 200.13 (15) which may continue them in force until November 1, 1963.*

(11) (b) 1. Whenever the issuance of any license \* \* \* is refused (except for failure to pass a required written examination) \* \* \*, the commissioner shall give notice \* \* \* to the applicant for \* \* \* such license and the insurer whom he represents or who desires that he be licensed *stating the reason or reasons such license is refused. Whenever any license is to be suspended or revoked or the renewal thereof is to be refused here-*

*under, the commissioner shall give notice to the holder of such license and the insurer whom he represents by virtue of such license expressing intent to suspend, revoke or refuse renewal thereof and stating the reason or reasons therefor at least 20 days prior to the effective date of such action. Such suspension, revocation or nonrenewal shall take effect on such specified date unless an aggrieved party proceeds as hereinafter provided.*

2. Any insurer, agent or applicant for license aggrieved by action of the commissioner hereunder may request in writing within 10 days after receipt of the notice hereinbefore mentioned a reconsideration by the commissioner of his action and shall state in such request the reason or reasons such action should not be taken. The commissioner shall reaffirm or reverse his action within 10 days after receipt of such request. Failure by the commissioner to act within the appointed time shall serve to continue the license in force beyond the date established for such refused renewal, suspension or revocation but shall not preclude the establishment of a new effective date for such action.

3. Nothing contained herein shall preclude any right of an aggrieved party to require a public hearing and request in writing a review of the commissioner's actions, by proceeding in accordance with ch. 227 nor any right of the commissioner to call a public hearing under said chapter. Any license which is in force at the time such hearing is requested or called and which is the subject of such hearing shall remain in force during the time that proceedings under ch. 227 or any judicial review thereof is pending.

4. All notices, requests and decisions hereinbefore mentioned shall be transmitted by giving a copy of such notice, request or decision personally to the addressee or by sending a copy of such notice, request or decision by prepaid registered mail and the mail service shall be complete upon the delivery or tender of the copy to such addressee by the postal authorities, and may be proved by the receipt of the addressee on the form used by the postal authorities or by their report thereon that tender or receipt has been refused.

5. Any license which is suspended, revoked or the renewal thereof refused shall be immediately surrendered to the commissioner.

(c) 1. No \* \* \* agent whose license has been revoked or the renewal thereof refused hereunder shall be entitled to file another application for a license \* \* \* under s. 206.41 or 209.04 within \* \* \* 2 years from the effective date of such revocation or refused renewal or, if judicial review of such revocation or refusal of renewal is sought, within \* \* \* 2 years from the date of final court order or decree affirming such revocation or refusal of renewal. Such application, when filed, may be refused by the commissioner unless the applicant shows good cause why the revocation or refused renewal of his license shall not be deemed a bar to the issuance of a new license.

2. No agent whose license has been suspended shall be entitled to file another application for a license under s. 206.41 or 209.04 during such period of suspension.

SECTION 40. 206.41 (9) (c) of the statutes is repealed and recreated to read:

206.41 (9) (c) Prior to May 1, 1962 and thereafter annually prior to November 1 of each year (beginning in 1963), each insurer shall submit to the commissioner a list of all agents appointed by it together with the required annual license fees. Such list shall show the name, license number, kinds of license and birth date for each agent whose license is to remain in effect. The commissioner may require such list to include the resident address and business address of each agent. Any change in an address of an agent holding a license shall be promptly reported to the commissioner by the company for whom such agent acts.

SECTION 41. 206.41 (12) of the statutes is repealed.

SECTION 42. 208.26 (5) of the statutes is amended to read:

208.26 (5) As a condition of valid and effective service and of the duty of the commissioner in the premises, the plaintiff in each such process shall pay to the commissioner, at the time of service thereof, the \* \* \* fee required by s. 200.13 (18), which the said plaintiff shall recover as taxable costs, if he prevails in the suit.

SECTION 43. 208.31 of the statutes is repealed and recreated to read:

208.31 ANNUAL REPORT. Every mutual benefit society shall annually file with the commissioner an alphabetical list of representatives in this state as of December 31 and their addresses together with a schedule showing the basis of compensation of such representatives. Such list shall be on a form provided by the commissioner and shall be submitted prior to March 1, following, as a supplement to the report of the society's affairs required by s. 201.50.

SECTION 44. 208.35 of the statutes is amended to read:

208.35 Every mutual benefit society shall be exempt from all state, county, district, municipal and school taxes or fees, *except the fees as required by s. 200.13 (25)*, but shall be required to pay all taxes and special assessments on its real estate and office equipment, except as provided in s. 70.11 (4) and (8). \* \* \*

SECTION 45. 209.04 of the statutes is repealed and recreated to read:

209.04 LICENSING OF AGENTS OTHER THAN LIFE. (1) "AGENT" DEFINED. The term "agent", as used in this section, means any natural person authorized by law to solicit, negotiate or effect contracts of insurance other than life insurance. The term "agent" shall not include any regular salaried officer or employe of an authorized insurer who does not solicit, negotiate or effect contracts of insurance. A regular salaried officer or employe of an authorized insurer is not deemed to be an agent by reason of rendering assistance to, or on behalf of an agent, if such salaried officer or employe devotes substantially all of his time to activities other than the solicitation of applications for insurance and receives no commission or other compensation directly dependent upon the amount of business obtained. It is unlawful for any person to act as an agent on or after June 1, 1962, unless he holds an agent's license and a certificate of registration issued by the commissioner except as hereinafter provided. It is unlawful for any person to act as an agent prior to June 1, 1962, unless he holds an agent's license issued by the commissioner.

(2) APPLICATION; EXAMINATION; CERTIFICATE OF REGISTRATION. (a) *Application.* Every natural person desiring to act as an agent for an authorized insurer in this state on or after June 1, 1962, shall apply to the commissioner for a certificate of registration as hereinafter prescribed. The applicant for such certificate shall submit to the commissioner his written application therefor and shall make a sworn statement on forms to be prepared by the commissioner giving his name, marital status, birth date, residence, place of business and occupation for the 5-year period immediately preceding the date of such application, and his contemplated insurance business address for the year to follow if a certificate is granted; whether he will devote all or part of his efforts to acting as an insurance agent, and, if part only, how much time he will devote to such work and in what business he is engaged or employed; whether he intends to comply with s. 201.53 (3) with reference to compensation for effecting insurance upon his own property or other risk; whether he has been refused or has



had suspended or revoked a license to solicit insurance applications by the commissioner or other proper supervising officials of any state; what instruction in insurance, if any, he has had or expects to have; what insurance experience, if any, he has had; whether any insurer or general agent claims he is indebted to it or him under any agency contract or otherwise, and, if so, the name of the claimant, the nature of the claim and his defense thereto, if any; whether he has had an agency contract canceled and, if so, when, by what insurer or general agent and the reason for such action; whether if applicant is married, his or her spouse has ever applied for or held a license to solicit insurance in this state and whether any such license has been refused, suspended or revoked; and such other information and references as the commissioner in his discretion requires. Each agent shall promptly report to the commissioner any change in his business address.

(b) *Examination.* Each applicant for a certificate of registration or agent's license (if no such certificate is required) shall pay an examination fee as required by s. 200.13 (17) and submit to a personal written examination to determine his competence with respect to the kind of insurance contracts he intends to solicit, negotiate or effect and his familiarity with the pertinent provisions of the laws of this state and passes the same to the satisfaction of the commissioner; except that no such examination or fee therefor shall be required of any person who makes application to solicit exclusively the kinds of insurance described in s. 203.32 (2) (b) 6 for domestic windstorm, cyclone and tornado insurance companies operating on an assessment plan or by any person who makes application to solicit, exclusively, the kind of insurance for which he held a license as a resident agent within the 2 years immediately preceding the date of filing his application. The commissioner may, upon showing just cause, require any applicant having previously held a certificate of registration to submit to a written examination and pass the same for any certificate before effecting the renewal of such certificate. The commissioner shall require further examination of a certificate holder whenever such person indicates intent to solicit, negotiate or effect kinds of insurance for which he has not been licensed for any insurer within the last 2 years. The commissioner shall establish rules with respect to the scope, frequency, grading of papers, announcements of the results of such written examinations and the times and places within the state where they shall be held. The commissioner shall cause examinations to be conducted throughout the state at places reasonably accessible to applicants at no less frequency than once each month. In advance of such examinations the commissioner shall cause notice to be given to all applicants. The commissioner is authorized to appoint representatives deemed competent who shall conduct the examination and to pay a fee to each person conducting the examinations as his deputy. The commissioner may appoint an advisory board to make recommendations to him with respect to the scope, type, frequency, grading of papers, announcement of results and generally the conduct of written examinations and the times and places within the state where they shall be held, the ways and means of passing upon and issuing certificates and licenses, and generally to aid and assist the commissioner in carrying out the law economically and in the interest of the insuring public, the companies and applicants. The advisory board shall consist of persons experienced in the insurance business.

(c) *Issuance or refusal of certificate of registration.* If the commissioner is satisfied that the applicant for a certificate of registration is intending in good faith to act as an insurance agent, is trustworthy and worthy of a certificate and the applicant, if required, has passed a written examination, a certificate of registration shall be issued. If the applicant has not passed his written examination, the commissioner shall notify the applicant in writing that a certificate will not be issued for that reason.

(d) *Expiration and renewal of certificate.* The certificate of registration shall remain in force for one year or until the death of the holder thereof, or until revocation in accordance with this section, whichever occurs first. The commissioner may promulgate rules permitting the issuance of certificates for periods other than annually for the purpose of assigning the applicant to a group of certificate holders having a common renewal date. Certificates may be renewed annually on the filing of an application containing such information as the commissioner deems necessary.

(3) APPLICATION AND FEE FOR AGENT'S LICENSE. (a) *Application.* Every natural person desiring to act as an agent for an authorized insurer in this state shall apply to the commissioner through the insurer for a license to do so as hereinafter prescribed. The applicant for such license shall submit to the commissioner through the insurer his written application therefor on forms prepared by the commissioner, which application shall include a notarized certificate signed by an officer or properly authorized representative of each insurer stating that the respective insurer has investigated the character and background of the applicant and is satisfied that he is trustworthy and qualified to act as its agent and tends to hold himself out in good faith to the general public as an insurance agent and that the respective insurer desires that the applicant be licensed as an agent to represent it in this state. The application for a license to act as an agent after June 1, 1962, shall include a sworn statement by the applicant that he holds a currently valid certificate of registration as required by this section unless exempt from such requirement by par. (c).

(b) *Issuance of license; fee.* If the commissioner is satisfied that the applicant is intending in good faith to act as an insurance agent, is trustworthy and worthy of a license and is a resident of this state, unless application is for a nonresident agent's license, the annual fee required by s. 200.13 (15) for such license has been paid or tendered with the application and the applicant, if required, has passed a written examination and holds a currently valid certificate of registration, a license shall be issued forthwith, limited to the insurer by whom the agent is to be appointed.

(c) *Nonresident agents.* 1. A person not a resident in this state may be licensed as an agent upon compliance with this section if the state in which such person resides will accord the same privilege to a resident of this state.

2. The commissioner may enter into reciprocal agreements with the appropriate official of any other state waiving the written examination, certificate of registration and fees therefor of any applicant resident in such other state, provided that if a written examination is required for the kind of insurance for which the applicant wishes to be licensed in this state, such other state also requires a written examination as a prerequisite for a license for the same kind of insurance and that such other state does not require a certificate of registration or similar form from residents of this state and that the appropriate official of such other state certifies on a form prepared by the commissioner that the applicant holds a currently valid license in such other state for the kind of insurance for which he makes application to be licensed in this state and either passed such written examination or was a holder of a license to act as an agent for such kind of insurance prior to the time such written examination was required.

(d) *Kinds of licenses.* The commissioner shall promulgate rules establishing the kinds of licenses which may be issued which shall be limited in scope to the kind of insurance defined by any subsection of s. 201.04 or any combination or division thereof.

(e) *Possession of licenses.* Each insurer shall forward the original copy of every license to the agent named thereon to act for such insurer and each agent shall retain possession of such license while it is in effect

and shall return same to the company for which it was issued at such time as his appointment is terminated by that company for the line of insurance shown on such license.

(f) *License term.* The fee shall continue the license in force until the following November 1 unless sooner revoked or terminated or until the holder thereof fails to maintain in force a certificate of registration as required herein.

(g) *Lists of agents.* License renewals may be effected from year to year without further action on the part of the agent provided that annually, prior to November 1 of each year, the insurer submits to the commissioner a list of all agents appointed by it to act within the state together with the required annual license fees as provided in s. 200.13 (15). Such list shall show the name, license numbers, kinds of licenses and birth date for each agent whose license is to remain in effect. The commissioner may require such list to include the residence address and business address of each agent. No license shall be renewed after June 1, 1961 for any agent who does not hold a currently valid certificate of registration at the time said renewal is to be effected.

(4) TEMPORARY LICENSES. (a) *Deceased or disabled agent.* The commissioner may issue a temporary agent's license without requiring the applicant to pass a written examination, to obtain a certificate of registration or to satisfy the requirements of subs. (2) and (3) except as to trustworthiness, to the surviving spouse or next of kin or to the administrator or executor of a deceased licensed agent or to the spouse, next of kin, employe or legal guardian of a licensed agent becoming disabled because of sickness, insanity or injury, if in the commissioner's opinion such temporary license is necessary for the continuation of the business of the agent thereby affected. Such license may be issued for a term not exceeding 3 months and the commissioner may in his discretion renew such license for additional terms of 3 months each, not exceeding in the aggregate 9 months.

(b) *Military service.* The commissioner may issue a temporary registration and agent's license without requiring the applicant to pass a written examination, to obtain a certificate of registration or to satisfy the requirements of subs. (2) and (3) except as to trustworthiness to the designee of a licensed agent where such agent has entered active duty in the armed forces of the United States, for such period of time as in the opinion of the commissioner may be necessary for the continuation of the business of the agent thereby affected.

(c) *Study and training.* The commissioner shall issue a temporary license without requiring a certificate of registration and examination to an applicant for a license as agent of an insurer while taking a preparatory course of study, instruction and field training for written examination under the supervision of his insurer who shall be responsible during such period of temporary license for all acts or omissions of such agent within the scope of his agency appointment. Such temporary license shall be valid until the last scheduled examination occurring within 60 days after the date of temporary license and for a period of 15 days following such examination or until he is advised of his failure of such examination, whichever is sooner.

(d) The fee for a temporary license shall be as required in s. 200.13 (16).

(5) AUTHORITY UNDER LICENSE; STATEMENT ON TERMINATION. Any license issued to an agent shall authorize him to act as such agent during the time for which the company appointing him is authorized to do an insurance business in this state and during the time for which the agent's license fee has been paid, a certificate of registration is maintained in force (if such certificate is required) and such agent is a bona fide resident of

this state (if the license is for a resident agent). Every insurer shall, upon termination of the appointment of any insurance agent, promptly return such license, if available to such insurer, to the commissioner and immediately file with the commissioner a statement of the facts relative to the termination of the appointment and the date. The commissioner shall thereupon terminate the license of such agent to represent such insurer in this state.

(6) **CORPORATIONS AND PARTNERSHIPS EXCLUDED AS AGENTS.** No corporation or partnership shall be licensed as an agent of any insurance company.

(7) **PENALTY.** Any person or company violating this section may be fined not more than \$500 for each offense.

(8) **EXCHANGE OF BUSINESS.** Nothing in this section shall be construed to prevent the proper exchange of business between lawfully licensed resident agents of this state.

(9) **REFUSAL, SUSPENSION OR REVOCATION OF LICENSE OR CERTIFICATE OF REGISTRATION.** (a) *Grounds.* A certificate of registration or license may be refused, suspended or revoked or the renewal thereof refused by the commissioner, if he finds that the applicant for, or holder:

1. Has wilfully violated any provision of the insurance laws of this state; or

2. Has intentionally made a material misstatement in the application for such certificate or license; or

3. Has obtained, or attempted to obtain, such certificate or license by fraud or misrepresentation; or

4. Has misappropriated or converted to his own use or illegally withheld money belonging to an insurer or an insured or beneficiary; or

5. Has otherwise demonstrated lack of trustworthiness or competence to act as an insurance agent; or

6. Has been guilty of fraudulent or dishonest practices; or

7. Has materially misrepresented the terms and conditions of insurance policies or contracts; or

8. Has made or issued, or caused to be made or issued, any statement misrepresenting or making misleading comparisons regarding the terms or conditions of any insurance or annuity contract legally issued by any insurer, for the purpose of inducing or attempting to induce the owner of such contract to forfeit or surrender such contract or allow it to lapse for the purpose of replacing such contract with another; or

9. Has obtained or attempted to obtain such certificate or license, not for the purpose of holding himself out to the general public as an insurance agent, but primarily for the purpose of soliciting, negotiating or procuring insurance contracts under which he or members of his family are insured, or under which are insured the officers, directors, stockholders, partners or employes of a partnership, association or corporation of which he or a member of his family is an officer, director, stockholder, partner or employe except that the soliciting of credit accident and health insurance by an officer or employe of a bank organized under ch. 221, a permittee under s. 115.07 (4), a licensee under s. 115.09 or 218.01, or a national bank shall not constitute grounds under this section for refusal of such license; or

10. Has discounted a note taken in payment of a premium before the issuance and delivery of the policy to the insured; or

11. Has misrepresented the financial or other condition of the company; or

12. Has violated any of the provisions of s. 134.10 or 134.11.

(b) *Commissioner's notice; procedure.* 1. Whenever the issuance of any certificate or license is refused (except for failure to pass a written examination) the commissioner shall give notice to the applicant and the insurer who desires that he be licensed, stating the reason such certificate or license is refused. Whenever any certificate or license is to be suspended

or revoked or the renewal thereof is to be refused hereunder, the commissioner shall give notice to the holder and the insurer whom he represents expressing intent to suspend, revoke or refuse renewal thereof and stating the reason therefor at least 20 days prior to the effective date of such action. Such suspension, revocation or nonrenewal shall take effect on such specified date unless an aggrieved party proceeds as hereinafter provided.

2. Any insurer, agent or applicant for a certificate or license aggrieved by action of the commissioner hereunder may request in writing within 10 days after receipt of the notice hereinbefore mentioned a reconsideration by the commissioner of his action and shall state in such request the reason such action should not be taken. The commissioner shall reaffirm or reverse his action within 10 days after the receipt of such request. Failure by the commissioner to act within the appointed time shall serve to continue the certificate or license in force beyond the date established for such refused renewal, suspension or revocation but shall not preclude the establishment of a new effective date for such action.

3. Nothing contained herein shall preclude any right of an aggrieved party to require a public hearing and request in writing a review of the commissioner's action by proceeding in accordance with ch. 227 nor any right of the commissioner to call a public hearing under said chapter. Any certificate or license which is in force at the time such hearing is requested or called and which is the subject of such hearing shall remain in force during the time that proceedings under ch. 227 or any judicial review thereof is pending.

4. All notices, requests and decisions hereinbefore mentioned shall be transmitted by giving a copy of such notice, request or decision personally to the addressee or by sending a copy of such notice, request or decision by prepaid registered mail and the mail service shall be complete upon the delivery or tender of the copy to such addressee by the postal authorities, and may be proved by the receipt of the addressee on the form used by the postal authorities or by their report thereon that tender or receipt has been refused.

(c) *Application subsequent to revocation, refusal of renewal or suspension.* 1. No person whose certificate or license has been revoked or the renewal thereof refused hereunder shall be entitled to file another application for a license within 2 years from the effective date of such revocation or refused renewal or if judicial review of such revocation or refused renewal is sought, within 2 years from the date of final court order or decree affirming such revocation or refusal of renewal. Such application, when filed, may be refused by the commissioner unless the applicant shows good cause why the revocation or refused renewal of his license shall not be deemed a bar to the issuance of a new license.

2. No agent whose license has been suspended shall be entitled to file another application for a license during such period of suspension.

(10) **EXCLUSION FROM PROVISIONS.** The provisions of this section requiring certificates of registration and licenses shall not apply to persons engaged in the following activities:

(a) *Town mutuals.* Persons engaged in the business of soliciting insurance exclusively for town mutual insurance companies.

(b) *Clerical help.* A person employed by an insurance agent or insurer solely for the performance of clerical, stenographic or similar office duties who incidentally takes insurance applications and receives premiums if his compensation is not related to the volume of such applications, insurance or premiums.

(c) *Incidental transportation insurance.* The ticket-selling agent of a railroad or steamship company, carrier by air or public bus carrier, who acts as agent in the sale of accident insurance tickets to individuals, insurance on personal effects against loss or damages while being carried as baggage incident to the sale of a passenger's transportation ticket.

(d) *Fur storers.* Persons engaged in the business of fur storage who deliver to their storage customers certificates or policies providing insurance on specified furs, garments trimmed with fur or other garments accepted for storage and who collect the premium therefor, provided they receive no compensation for such service.

(e) *Newspaper accident insurance.* Newsboys and managers of newspaper distribution offices who incidentally take applications for so-called "Newspaper Accident Insurance" and receive premiums in connection therewith.

(f) *Retail jewelers.* Retail jewelers who incidently and occasionally take applications for insurance on their merchandise as it is sold provided they receive no compensation for such service.

(11) NONPROFIT SICKNESS CARE AND HOSPITAL SERVICE PLANS. For the purpose of regulating agents of nonprofit sickness care plans as organized under ch. 148 or hospital service plans as organized under s. 182.032:

(a) "Agents" as used in this section includes any sales representative soliciting, negotiating or effecting such contracts of sickness care as permitted by ch. 148 or hospital service as permitted by s. 182.032 but excludes any regular salaried officer or employe, who does not solicit, negotiate or effect such contracts. A regular salaried officer or employe of an authorized organization or corporation offering such contracts shall not be deemed to be an agent by reason of rendering assistance to, or on behalf of an agent, provided that such salaried officer or employe devotes substantially all of his time to activities other than the solicitation of applications for such contracts and receives no commission or other compensation directly dependent upon the amount of business obtained.

(b) "Insurer" as used in this section includes any organization or corporation established pursuant to ch. 148 or s. 182.032.

Approved October 2, 1961.

---