

CHAPTER 55.

[Published March 15, 1870.]

AN ACT to amend chapter 48 of the general laws of 1868, entitled "an act to amend chapter 19 of the revised statutes, entitled 'of highways and bridges.'"

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

SECTION 1. Section one of chapter 48 of the session laws of 1868, is hereby amended to read as follows: section 25 of chapter 19 of the revised statutes, entitled "of highways and bridges," is hereby amended by inserting in the fifth line of the second clause, immediately after the word, "Sheboygan," the words, "Ashland, Bayfield, Burnett, Dallas, Douglas, Monroe, Polk, Marathon, Waupaca, Outagamie, Kewaunee and Door." Amended.

SECTION 2. This act shall take effect and be in force from and after its passage and publication.

Approved March 14, 1870.

CHAPTER 56.

[Published March 22, 1870.]

AN ACT to provide for the incorporation and government of fire and inland navigation insurance companies.

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

SECTION 1. Any number of persons not less than fifteen may associate and form an incorporated company for the purposes, to wit: To make insurance on dwellings, stores and all kinds of buildings, and upon household furniture and other property, against loss or damage by fire and the risks of inland navigation and transportation. Any and all insurance companies hereafter incorporated under the provisions of this act, which shall in the declaration and charter provided to be filed, have expressed an intention to make insurance, or which shall have power to make insurance against loss or damage by the risks of inland naviga- May form companies, and for what purpose.

tion or transportation, shall have power to make insurance upon vessels, boats, cargoes, goods, merchandise, freights and other property, against loss and damage by all or any of the risks of lake, river, canal and inland navigation and transportation.

May re-insure.

SECTION 2. Any companies organized under this act shall have power to effect re-insurance of any risks taken by them respectively.

Shall file declaration with secretary of state.

SECTION 3. Such persons shall file in the office of the secretary of state a declaration signed by all the corporators, expressing their intention to form a company for the purpose of transacting the business of insurance, as expressed in the first section of this act, which declaration shall also comprise a copy of the charter proposed to be adopted by them, and shall publish a notice of such, their intention, once in each week for at least four weeks in all public newspapers published in the county where such insurance company is proposed to be located.

What charter shall set forth.

SECTION 4. The charter comprised in such declaration shall set forth the name of the company, the place where the principal office for the transaction of its business shall be located, the manner and mode in which the corporate powers granted by this act shall be exercised, the manner and mode of electing directors or trustees, a majority of whom shall be citizens of this state, and of filling vacancies, (but each director or trustee of a stock company shall be the owner of at least five hundred dollars' worth of the stock of the company, in his own right, at its par value); the period for the commencement or termination of its fiscal year, and the amount of capital to be employed in the transaction of its business. And the secretary of state shall have the right to reject any name or title of any company applied for, when he shall deem the name too similar to one already appropriated, or likely to mislead the public in any respect.

Not to sell goods.

SECTION 5. No company formed under this act shall, directly or indirectly, deal or trade in buying or selling any goods, wares, merchandise or other commodities whatever, excepting such goods or articles as may have been insured by such company, and are claimed to be damaged by fire or water.

Amount of capital stock required.

SECTION 6. No joint stock company shall be incorporated under this act in any incorporated city, nor

shall any company incorporated under this act establish an agency for the transaction of business in any city with a smaller capital than one hundred thousand dollars actually paid in in cash, nor elsewhere outside of an incorporated city in the state, with a less capital than fifty thousand dollars actually paid in in cash, nor shall any company formed for the purpose of doing business of fire and inland navigation insurance on the plan of mutual insurance, commence business until agreements have been entered into for insurance with at least three hundred applicants, the premiums on which shall amount to not less than one hundred and fifty thousand dollars, of which at least thirty thousand dollars shall have been paid in in cash, and notes of solvent parties founded on actual and *bona fide* applications for insurance shall have been received for the remainder; nor shall any company formed for the purpose of doing business of fire insurance only, on the plan of mutual insurance, commence business until at least one hundred and fifty applicants have entered into agreements for insurance, the premiums on which shall amount to not less than one hundred thousand dollars, of which twenty thousand dollars at least shall have been paid in in cash, and notes of solvent parties founded on actual and *bona fide* applications for insurance for the remainder, shall have been received. No one of the notes received as above shall amount to more than five hundred dollars; and no two shall be given for the same risk or be made by the same person or firm, except where the whole amount of such notes shall not exceed five hundred dollars, nor shall any such note be represented as capital stock unless a policy be received upon the same within thirty days after the organization of the company, upon a risk which shall be for no shorter period than twelve months. Each of said notes shall be payable, in parts or in whole, at any time when the directors shall deem the same requisite for the payment of losses by fire or inland navigation, and such incidental expenses as may be necessary for the transaction of the business of the company; and no note shall be accepted as part of such capital stock unless the same shall be accompanied by a certificate of the county judge in the county where the person making such note shall reside, that the person making the same is,

Number of applicants required for mutual companies.

Premium notes—amount limited and when payable.

in his opinion, pecuniarily good and responsible for the same, and no such note shall be surrendered during the life of the policy for which it was given. No joint stock fire insurance company, organized under this act or transacting business in this state, shall expose itself to any loss on any fire or inland navigation risk or hazard, to an amount exceeding ten per cent. of its paid up capital.

Books not to be opened till whole amount subscribed.

SECTION 7. It shall and may be lawful for the individuals associated for the purpose of organizing any company under this act, after having published the notice and filed the declaration and charter as required by the third section of this act, and also on filing in the office of the secretary of state proof of such publication, by the affidavit of the publisher of such newspaper, to open books for subscription to the capital stock of the company so intended to be organized, and to keep the same open until the whole amount specified in the charter is subscribed; or in case the business is proposed to be conducted on the plan of mutual insurance, then to open books to receive propositions and enter into agreements in the manner and to the extent specified in the sixth section of this act.

May invest capital in bonds, etc.

SECTION 8. It shall be lawful for any insurance company organized under this act or incorporated under the laws of this state, to invest its capital and the funds accumulated in the course of its business or any part thereof, in bonds and mortgages or improved unincumbered real estate within the state of Wisconsin, worth at least fifty per cent. more than the sum loaned thereon, exclusive of buildings, unless such buildings are insured and the policy transferred to said company, and also in the stocks of this state or those of any city, county or town authorized to be issued by the legislature, also in the stocks and treasury notes of the United States, and to lend the same or any part thereof on the security of such stock, bonds or treasury notes, or upon bonds and mortgages as aforesaid, and to change and re-invest the same as occasion from time to time may require; but any surplus money over and above the capital stock of such fire and inland navigation insurance companies, or any insurance company incorporated under the laws of this state, may be invested in or loaned upon the pledge of the public stock or bonds

of the United States, or any one of the states, or on the stock, bonds or other evidences of indebtedness of any solvent dividend paying institutions incorporated under the laws of this state or the United States, except their own stock: *provided always*, that the market value of such stock, bonds or other evidences of debt, shall be at all times during the continuance of such loans at least ten per cent. above or more than the sum loaned thereon.

SECTION 9. No company organized by or under this act shall purchase, hold or convey real estate, excepting for the purposes and in the manner herein set forth, to wit: such as shall be necessary for its convenient accommodation in the transaction of its business, or such as may have been mortgaged to it in good faith by way of security for loans previously contracted or for money due, or such as shall have been conveyed to it for debts previously contracted in its legitimate business, or for money due, or such as have been purchased at sales upon judgments, decrees or mortgages obtained or made for such debts; and all such real estate as may be acquired as aforesaid, and shall not be necessary for the accommodation of such company in the transaction of its business, shall be sold and disposed of within four years after such company shall have acquired title thereto, unless such company shall procure a certificate from the secretary of state that such company will suffer materially from a forced sale thereof, in which event the sale may be postponed for such period as the secretary of state may direct in the certificate; and the said secretary of state may also give such certificate, and extend the time for holding real estate in the like circumstances, on the application of any insurance company heretofore incorporated.

SECTION 10. The charter and proof of publication herein required to be filed by every such company, shall be examined by the attorney general, and if found consistent with this act, and conformable to the constitution or laws of this state, shall be certified by him to the secretary of state, who shall thereupon cause an examination to be made, either by himself or by a disinterested person specially appointed by him for that purpose, who shall certify under oath that the capital herein required of the company named in the charter, according to the nature of the business proposed to be

Restrictions for the holding of real estate.

Attorney general shall examine charter and certify to secretary of state who shall examine and certify as to capital, etc.

transacted by such company has been paid in and is possessed by it in money, or in such stocks, bonds and mortgages as are required by the 8th section of this act, or if a mutual company, that it has received and is in actual possession of the capital, premiums or *bona fide* engagements of insurance or securities to the full extent and of the value required by the sixth section of this act, and the name and residence of the maker of each premium note forming part of the capital, and the amount of such note shall be returned to the secretary of state; and the corporators or officers of such company shall be required to certify under oath that the capital exhibited to this person, is *bona fide* the property of the company. Such certificate shall be filed in the office of the secretary of state, who thereupon shall deliver to such company a certified copy of the charter and of said certificates, which on being filed in the office of the clerk of the circuit [court] of the county where the company is located, shall be their authority to commence business and issue policies. And such certified copy of charter and certificates may be used in evidence for or against the company with the same effect as the originals.

Shall have a corporate seal, etc.

SECTION 11. The corporators, trustees or directors of any company organized under this act shall have a corporate seal, and they or their successors may alter or change the design of the same at pleasure; they shall also have the power to make such by-laws as will not conflict with this act or the constitution or laws of this state.

No dividends to be made except from surplus profits.

SECTION 12. It shall not be lawful for the directors, trustees or managers of any fire insurance company to make any dividends except from the surplus profits arising from their business, and in estimating such profits there shall be reserved therefrom a sum equal to the whole amount of premiums on unexpired risks and policies which are hereby declared to be unearned premiums, and also there shall be reserved all sums due the corporation on bonds and mortgages, stocks and book accounts, of which no part of the interest or principal thereon has been paid during the last year, and for which no suit or foreclosure has been commenced for collection, or which, after judgment thereon obtained, shall have remained more than two years unsatisfied, and on which interest shall not have

been paid, and also, there shall be reserved all interest due or accrued and remaining unpaid: *provided, always,* that any company may declare dividends not exceeding ten per cent. on its capital stock in any one year that shall have accumulated and be in possession of a fund, in addition to the amount of its capital stock and of such dividends, and all actual outstanding liabilities equal to one-half of all premiums on risks not terminated at the time of making such dividends. Any company making dividends contrary to the foregoing provisions shall be liable to a forfeiture of its charter, and each stockholder receiving it shall be liable to the creditors of such company, to the extent of the dividend received, as well as to the penalties in such cases made and provided. This section shall not apply to the declaration of scrip dividends by participating companies, but no such scrip dividends shall be paid except from surplus profits after reserving all sums as above provided, including the whole amount of premiums on unexpired risks. The word, "year" wherever used in this section shall mean the calendar year.

SECTION 13. All notes deposited with any mutual insurance company at the time of its organization, as provided in section six of this act, shall remain as security for all losses and claims until the accumulation of profits invested as required by the eighth section of this act shall equal the amount of cash capital required to be possessed by stock companies organized under this act, the liability of each note decreasing proportionately as the profits are accumulated, but any note which may have been deposited with any mutual insurance company, subsequent to its organization, in addition to the cash premium on any insurance effected with such company, may at the expiration of the time of such insurance, be relinquished and returned to the maker thereof or his representative, upon his paying his proportion of all losses and expenses which may have accrued thereon during the term. The directors or trustees of any such company may or shall have the right to determine the amount of the note to be given, in addition to the cash premium by any person insured in such company, but in no case shall the note be more than twice the whole amount of the cash premium. And any persons effecting insurance in a mutual in-

Notes to remain,
as security for
losses.

Directors to determine amount of losses to be paid.

insurance company, and their heirs, executors, administrators or assigns, continuing to be so insured, shall thereby become members of said corporation during the period of insurance, and shall be bound to pay for all losses and necessary expenses as aforesaid, accruing in and to said company, in proportion to the amount of his deposit note or notes. The directors shall as often as they deem necessary, after receiving notice of any loss or damage by fire, sustained by any member, and ascertaining the same, and after the rendition of any judgment against said company for any loss or damage, settle and determine the sums to be paid by the several members thereof, as their respective portion of such loss or damage, and publish as they may deem best, or as the by-laws may require, and the sum to be paid by each member, shall always be in proportion to the original amount of his deposit note or notes, and shall be paid to the officers of the company, within thirty days after the publication of such notice; and if any member shall for the space of thirty days, after the publication of such notice, and after demand for payment shall have been made, neglect or refuse to pay the sum assessed upon him as his proportion of any loss, in such case the directors may sue for and recover the whole amount of his deposit note or notes, with costs of suit, but execution shall issue only for assessments and costs as they accrue, and every such execution shall be accompanied by a list of the losses for which the assessment is made. If the whole amount of deposit notes shall be insufficient to pay the loss occasioned by any fire or fires, in such case the sufferers insured by the said company, shall receive towards making good their respective loss or losses, a proportional share of the whole amounts of said notes, according to the sums by them respectively insured.

Every mutual company shall embody the word "mutual" in its title.

SECTION 14. Every fire and inland navigation insurance company heretofore or hereafter organized, shall, if it be a mutual company, embody the word, "mutual" in its title, which shall appear on the first page of every policy or renewal receipt; and every company doing business as a cash stock company, shall upon the face of its policy in some suitable manner, express that such policy is a stock policy: *provided, however,* that companies now organized may for the year 1870, use their present form, with the words, "mutual" and "stock" omitted.

SECTION 15. Suits at law may be maintained by any corporation formed under this act, against any of its members or stockholders, for any cause relating to the business of the company; also suits at law may be maintained by any member or stockholder against such corporation for any losses which may have accrued if payment is withheld more than thirty days after such losses have become due, and any member or stockholder not a party to such suit may be a witness therein.

Suits may be maintained.

SECTION 16. The trustees and corporators of any company organized under this act, and those entitled to a participation in the profits of such company, shall be jointly and severally liable for all debts and responsibilities of such company until the whole amount of the capital shall have been paid in, and a certificate thereof recorded or filed as herein before provided. Notes taken in advance of premiums under this act are not to be regarded as debts of the company in determining its solvency, but are to be considered as assets of the company.

Trustees and corporators to be jointly and severally liable.

SECTION 17. Any existing fire insurance company, and any company formed under this law, may at any time increase its capital stock after notice given once a week for four weeks, in some newspaper published in the county where such company is located, of such intention, with the written consent of three-fourths in amount of its stockholders, unless otherwise provided in its charter; if a mutual company with the unanimous consent of its trustees, unless otherwise provided in its charter, by filing a copy of their charter so altered or amended in this respect, together with a certificate under its corporate seal, signed by its president, directors or trustees, of their desire so to do, in the office of the secretary of state, and upon the same proceeding had as required by the tenth section of this act. It shall be lawful also for any existing joint stock fire insurance company, or any company organized under this act, without increasing its capital stock, provided its actual paid up in cash capital is not less than fifty thousand dollars, at any time within two years previous to the termination of its charter, and after giving notice once a week for four weeks in some newspaper published in the county where such company is located, of such intention, and with a declara-

May increase capital stock on notice.

tion under its corporate seal, signed by its president and directors, of their desire for such extension, to extend the term of its original charter to the time specified in section twenty-five of this act, by altering and amending the same so as to accord with the provisions of this act, and filing a copy of the same in the office of the secretary of state; whereupon the same proceedings shall be had as required in the tenth section of this act.

All existing companies brought under this act.

SECTION 18. All insurance companies heretofore organized in the state of Wisconsin, and now doing business in this state, are hereby brought under all the provisions of this act, except that their capitals may continue of the amounts and character named in and authorized by their respective charters, during the existing term of such charters, and the investments of the capital and assets of such companies may remain the same as prescribed by their charters, anything in this act to the contrary notwithstanding; and such companies shall also be entitled to all the privileges and powers granted by said charters.

All companies to be deemed bodies corporate.

SECTION 19. All companies incorporated or extended under this act, shall be deemed and taken to be bodies corporate and politic, in fact and in name, and shall be subject to all the provisions of law in relation to corporations, so far as the same are applicable.

Officers to file statement of condition.

SECTION 20. It shall be the duty of the president or vice-president and secretary of each company organized under this act, or incorporated under any law of this state, annually on the first day of January of each year, or within one month thereafter, to prepare under their own oath, and deposit in the office of the secretary of state, a statement of the condition of such company on the thirty-first day of December then next preceding, exhibiting the following facts and items in the following form, namely:

Statement to embrace—

Capital stock.

First. The amount of the capital stock of the company.

Assets.

Second. The property or assets of the company specifying: 1st. The value, as near as may be, of the real estate held by such company. 2d. The amount of cash on hand and in such company's office, and also the amount deposited in bank to the credit of such company, and specifying in what bank or banks the same is deposited. 3d. The amount of loans secured

by bonds and mortgages constituting the first lien on real estate, on which there shall be less than one year's interest due or owing. 4th. The amount of loans on which interest shall not have been paid within one year previous to such statement. 5th. The amount due the company, on which judgments have been obtained. 6th. The amount of stocks of this state, of the United States, of any incorporated city of this state, and of any other stocks owned by the company, specifying the amount, number of shares and the par and market value of each kind of stock so held. 7th. The amount of stocks held thereby as collateral security for loans, with the amount loaned on each kind of stock, its par value and market value. 8th. The amount of the assessments on stock or premium notes, paid and unpaid. 9th. The amount of interest actually due and unpaid. 10th. The amount of premium notes on hand on which policies are in force.

Third. The liabilities of such company, specifying: **Liabilities.**
 1st. The amount of losses due and unpaid. 2d. The amount of claims for losses resisted by the company. 3d. The amount of losses incurred during the year, including those claimed and not yet due, and those reported to the company upon which no action has been taken. 4th. The amount of dividends declared due and unpaid. 5th. The amount of dividends, either cash or scrip, declared but not yet due. 6th. The amount of money borrowed and security given for the payment thereof. 7th. The amount required to re-insure all outstanding risks. 8th. the amount of all other existing claims against the company.

Fourth. The income of the company, during the **Income.**
 preceding year, specifying: 1st. The amount of interest money received. 2d. The amount of cash premiums received. 3d. The amount of notes received for premiums. 4th. The amount of income received from other sources.

Fifth. The expenditures, during the preceding **Expenditures.**
 year, specifying: 1st. The amount of losses paid during the year, stating how much accrued prior, and how much subsequent to the date of the preceding statement. 2d. The amount of dividends paid during the year. 3d. The amount of expenses during the year, stating the amount paid officers' salary and fees; the amount paid agents' commission and fees, and

the amount paid for office expenses and rents, the amount for taxes, and the amount of all other payments and expenditures.

Secretary of state may address inquiries to companies.

SECTION 21. The secretary of state is hereby authorized and empowered to address inquiries to any insurance company or any officer thereof; in relation to the doings or condition or any other matter connected with its transactions; and it shall be the duty of any company or officer so addressed, to promptly reply in writing to any such inquiries. The statement of any company, the capital of which is composed in whole or in part of notes, shall in addition to the provisions of the foregoing section, exhibit the amount of notes originally forming the capital, and also what proportion of said notes is still held by such company and considered capital. The statements herein provided for shall be in lieu of any and all statements now required by any existing laws. Every fire insurance company organized under any law of this state, failing to make and deposit such statements, or to reply to any inquiry of the said secretary of state, shall be subject to the penalty of five hundred dollars, and an additional five hundred dollars for every month that such company shall continue thereafter to transact any business of insurance. It shall be the duty of the secretary of state to cause to be prepared and furnished to each of the companies and to the attorneys of companies incorporated by other states and foreign governments, printed forms of the statements required by this act, and he may from time to time make changes in the form of such statements as shall seem to him best adapted to elicit from the companies a true exhibit of their condition in respect to the several points hereinbefore mentioned. It shall be the duty of the secretary of state to cause the information contained in the statements required by this section to be arranged in a tabular form, and publish the same on or before the first day of May next succeeding.

Penalty for failure to make statement.

Secretary of state to furnish blanks.

Not lawful to take risks without required amount of capital.

SECTION 22. It shall not be lawful for any fire insurance company, association or partnership incorporated by or organized under the laws of any other state of the United States, or any foreign government, for any of the purposes specified in this act, directly or indirectly, to take risks or transact any business of

insurance in this state, unless possessed of the amount of actual capital required of similar companies formed under the provisions of this act, and any such company desiring to transact any such business as aforesaid by any agent or agents in this state, shall first appoint an attorney in this state on whom process of law can be served, containing an agreement that such company will not remove the suit for trial into the United States circuit court or federal courts, and file in the office of the secretary of state a written instrument, duly signed and sealed, certifying such appointment, which shall continue until another attorney be substituted; and any process issued by any court of record in this state, and served upon any such attorney by the proper officer of the county in which such attorney may reside or may be found, shall be deemed a sufficient service of process upon such company, but service of process upon such company may also be made in any other manner now provided by law. In case any insurance company not incorporated in the state, shall cease to transact business in this state according to the laws thereof, the agents last designated or acting as such for such corporation, shall be deemed to continue agents for such corporation for the purpose of serving process, for commencing action upon any policy or liability incurred or contracted while such corporation transacted business in this state, and service of such process for the causes aforesaid, upon any such agent, shall be deemed a valid personal service upon such corporation, and every such company, association or partnership shall also file a certified copy of their charter or deed of settlements, together with a statement, under oath of the president or vice-president or other chief officer, and secretary of the company for which he or they may act, stating the name of the company and place where located, the amount of its capital, with a detailed statement of its assets, showing the amount of cash on hand, in bank, the amount of real estate and how much the same is encumbered by mortgage, the number of shares of stock of every kind owned by the company, the par and market value of the same, amount loaned on bond and mortgage, the amount loaned on other security, stating the kind and amount loaned on each and the estimated value of the whole amount of such securities, any other assets or property of the company, also

If foreign company cease to do business in this state, agents deemed to continue agents.

Statement to be filed, and what to contain.

stating the indebtedness of the company, the amount of losses adjusted and unpaid, the amount incurred and in process of adjustment, the amount resisted by the company as illegal and fraudulent, and all other claims existing against the company, also a copy of the last report, if any made under any law of the state by which such company was incorporated; and no agent shall be allowed to transact business for any such company, whose capital is impaired to the extent of twenty per cent. thereof, while such deficiency shall continue, and any company incorporated by or organized under any foreign government, shall in addition to the foregoing, file in the office of the secretary of state a statement verified by the oath of the president, secretary or manager of such company, resident in the United States, showing to the satisfaction of the secretary of state, that such company has invested in the stocks or bonds of the United States, of the state of New York or Wisconsin; such stocks or bonds to be in all cases equal to a stock producing six per cent. per annum, or in bonds and mortgages on unincumbered real estate worth fifty per cent. more than the amount loaned thereon, the sum of at least two hundred thousand dollars, and that such stocks or bonds are deposited with the superintendent of the insurance department, state treasurer or other proper state officer of some one of the states of the United States, or are held by a citizen or citizens of the United States, as a trustee or trustees, and that such securities are not pledged or incumbered, but are held and remain for the benefit and security of the policy holders of such company, residing in the United States, or in default of such statement, shall deposit with the state treasurer for the benefit and security of policy holders residing in the United States, a sum not less than fifty thousand dollars, in stocks of the United States or of the state of Wisconsin, in all cases to be equal to a stock producing six per cent. per annum, said stocks not to be received by said treasurer at a rate above their par value, or above their current market value, or in bonds and mortgages on improved unincumbered real estate in the state of Wisconsin, worth fifty per cent. more than the amount loaned thereon. The stocks and securities so deposited may be exchanged from time to time for other securities receivable as aforesaid; and

Stocks and securities deposited may be exchanged.

so long as the company so depositing shall continue solvent and comply with the laws of this state, such company or association may be permitted by the said treasurer to collect the interest or dividends on said deposit, and where deposit is made of bonds and mortgages, accompanied by full abstracts of titles and searches, the fees for an examination of title by counsel, to be paid by the party making the deposit, shall not exceed twenty dollars for each mortgage, and the fees for an appraisal of property shall be five dollars to each appraiser, not exceeding two, besides expenses for each mortgage, nor shall it be lawful for any agent or agents, or other persons, to act for any company or companies referred to in this section, directly or indirectly, in taking risks or transacting the business of fire or inland navigation insurance in this state, without procuring from the state treasurer a certificate for the deposit so made, and from the secretary of state a certificate of authority, stating that such company has complied with all the provisions of this act which apply to such companies, and the name of the attorney appointed to act for such company. The statements and evidence of investments and deposits required by this section shall be renewed from year to year, in manner and form as may be required by the secretary of state, with an additional statement of the amount of premiums received and losses incurred in the state during the preceding year, so long as such agency continues, and the secretary of state, on being satisfied that the capital, securities and investments remain secure, as hereinbefore provided, shall furnish a renewal of the certificate as aforesaid. Any violation of any of the provisions of this act, shall subject the party violating the same to a penalty of five hundred dollars for each violation, and of the additional sum of one hundred dollars for each month during which any such agent shall neglect to file affidavits, statements and certificates as are herein required. The term agent or agents used in this section shall include an acknowledged agent, surveyor, broker or any other person who shall receive any application or make any contract for insurance, or collect or receive any premium or deliver any policy, or in any manner assist or aid in the transaction of the business of any insurance company not incorporated

To apply to all foreign companies.

To be liable to same penalties as home companies.

If foreign companies discontinue business they shall reinsure current risks in other companies.

by the laws of this state. The provisions of this section shall apply to all foreign companies, partnerships, corporations or individuals, whether incorporated or not. All insurance companies, associations or corporations incorporated by or organized under the laws of any other state of the United States, or any foreign government, transacting the business of fire or inland insurance or other kind of insurance in this state, shall make annual statements of their condition and affairs to the secretary of state, in the same manner and in the same form as similar companies organized under the laws of this state. In case of neglect or refusal to make such annual statements of their condition and affairs as aforesaid, all persons acting in this state as agents or otherwise in transacting the business of insurance for such companies, corporations or associations, partnership or individuals, shall be subject to the same penalties provided by this act in cases of failure of any insurance company organized under the laws of this state, herein provided. Foreign insurance companies shall be required to make out and file their statements as provided in this act on the first day of January of each year, or within thirty days thereafter, made out for the year ending December 31st, immediately preceding such statement, shall set forth their business and affairs in the United States, duly verified by the resident manager of such company for the United States. Whenever any such foreign insurance company or corporation shall elect to discontinue business within the state, and shall have risks unexpired on property insured within the state, such company shall, before withdrawing its bonds and other securities deposited with the state treasurer, as hereinbefore provided, reinsure in some good and solvent company authorized by this act to transact business within the state, all such unexpired risks, to the satisfaction of the insured and the secretary of state. When such risks are so reinsured, it shall be the duty of the secretary of state to certify the same to the state treasurer, who shall forthwith surrender and deliver up to the said company its bonds and other securities in his custody; but no surrender or delivery of such bonds or securities shall be made by said treasurer, except on the certificate of the secretary of state that there are no unexpired risks within the state which have not been reinsured by such company, as herein required.

SECTION 23. It shall be the duty of the secretary of state, whenever he shall deem it expedient so to do, or when any responsible party shall file with such officer written charges against any insurance company, alleging that any return or statement filed by such company with said secretary of state is false, or that the affairs of such company are in an unsound condition, in person, or by one or more persons, to be appointed by him for that purpose, not officers or agents of, or in any manner interested in any insurance company doing business in this state, except as policy holders, to examine into the affairs of any insurance company incorporated in this state, or doing business by its agents in this state; and it shall be the duty of the officers or agents of any such company doing business in this state, to cause their books to be opened for the inspection of the secretary of state, or the person or persons so appointed, and otherwise to facilitate such examination so far as it may be in their power to do, and to pay all reasonable expenses incurred therein; and for that purpose, the said secretary of state or person or persons so appointed by him, shall have the power to examine under oath, the officers and agents of any company, relative to the business of said company; and whenever the said secretary of state shall deem it for the best interest of the public so to do, he shall publish the results of said investigation in one or more papers in this state, and whenever it shall appear to the said secretary of state from such examination, that the assets of any company incorporated in this state are insufficient to justify the continuance in business of any such company, he may direct the officers thereof to require the stockholders to pay in the amount of such deficiency within such period as he may designate in such requisition, or he shall communicate the fact to the attorney general, whose duty it shall then become to apply to the circuit court of the county in which the principal office of said company shall be located, for an order requiring them to show cause why the business of said company should not be closed, and the court shall thereupon proceed to hear the allegations and proofs of the respective parties; and in case it shall appear to the satisfaction of said court, that the assets and funds of said company are not sufficient, as aforesaid, or that the interests of the public so require,

Duty of secretary of state when charges are preferred against company.

Secretary may examine officers under oath.

May apply to court for order to show cause.

Company may call upon stockholders to increase amount of stock.

the said court shall decree a dissolution of said company, and a distribution of its effects. The said circuit court shall have power to refer the application of the attorney general to a referee, to inquire into and report upon the facts stated therein. Any company receiving the aforesaid requisition from the secretary of state, shall forthwith call upon its stockholders for such amount as will make its capital equal to the amount fixed by the charter of said company, and in case any stockholder of such company shall refuse or neglect to pay the amount so called for, after notice personally given, or by advertisement, in such time and manner as the secretary of state shall approve, it shall be lawful for the said company to require the return of the original certificate of stock held by such stockholder, and in lieu thereof to issue new certificates for such number of shares as the said stockholder may be entitled to, in the proportion that the ascertained value of the funds of the said company may be found to bear to the original capital of the said company; the value of such shares for which new certificates shall be issued, to be ascertained under the direction of said secretary of state, and the company paying for the fractional parts of shares; and it shall be lawful for the directors of such company to create new stock and dispose of the same and to issue new certificates therefor to an amount sufficient to make up the original capital of the company; and it is hereby declared that in the event of any additional losses accruing upon new risks taken after the expiration of the period limited by said secretary of state in the aforesaid requisition, for the filling up of the deficiency in the capital of such company, and before said deficiency shall have been made up, the directors shall be individually liable to the extent thereof; and if upon such examination it shall appear to the said secretary of state that the assets of any company chartered on the plan of mutual insurance under this act, are insufficient to justify the continuance of such company in business, it shall be his duty to proceed in relation to such company in the same manner as herein required in regard to joint stock companies; and the trustees or directors of such company are hereby made personally liable for any loss which may be sustained upon risks taken after the expiration of the period limited by said secretary of state

Directors individually liable.

for filling up the deficiency in the capital, and before such deficiency shall have been made up. Any transfer of the stock of any company organized under this act, made during the pending of such investigation, shall not release the party making the transfer from his liability for losses which may have occurred previous to the transfer. And whenever it shall appear to the said secretary of state, from the report of the person or persons appointed by him, that the affairs of any company not incorporated by the laws of this state, are in an unsound condition, he shall revoke the certificates granted in behalf of such company, and shall cause a notification thereof to be published in the official state paper, mail a copy thereof to each agent of the company, and the agent or agents of such company, after such notice, shall be required to discontinue the issuing of any new policy and the renewal of any previously issued.

Transfer of stock not release liability.

SECTION 24. Every penalty provided for by this act shall be sued for and recovered in the name of the state, by the district attorney of the county in which the company or the agent or agents so violating shall be situated, and one-half of said penalty when recovered, shall be paid into the treasury of said county, and the other half to the informer of such violation, and in case of the non-payment of such penalty, the party so offending shall be liable to imprisonment for a period not exceeding six months, in the discretion of any court having cognizance thereof; such penalties may also be sued for and recovered in the name of the state by the attorney general, and when sued for and collected by him, shall be paid into the state treasury.

How penalties recovered.

SECTION 25. All companies incorporated or extended under this act may provide in their charters for not more than fifty years' duration, but the legislature may at any time, alter or amend this act, and provide for the closing up of the business and affairs of any company formed under it. Nothing herein contained shall be construed to prevent subsequent extension of the charters of companies organized or extended under this act.

Limit of duration of charters.

SECTION 26. Companies other than those organized under the laws of this state, which may have received certificates of authority for the year 1870, prior to the passage of this act, shall be permitted to transact the

Companies now authorized need not make further statement.

business of insurance, without further statement, until the thirty-first day of January, 1871. Any fire or fire and inland navigation insurance company chartered by this state, may have a lien, by passing a by-law to that effect, upon the stock or certificate of profits owned by any member for any debt hereafter to become due the said company for premiums, by stating that the said stock is subject to any such lien upon the certificates of stock or profits; and such lien may be waived in writing by the consent of the president of said company upon the transfer of any such stock.

When capital stock is impaired company may reduce amount.

SECTION 27. Whenever it shall appear to the secretary of state, from an examination made by him in the manner prescribed by law, that the capital stock of any joint stock company, organized pursuant to law, is impaired to an amount exceeding twenty-five per cent. of such capital, and he shall be of the opinion that the interests of the public will not be prejudiced by permitting such company to continue business with a reduced capital, it shall be lawful for such company, with the permission of the secretary of state, to reduce its capital stock and the par value of the shares thereof to such amount as the said secretary of state, under his hand and official seal, shall certify to be proper, and as shall, in his opinion, be justified by the assets and property of such company: *provided*, that no part of such assets and property shall be distributed to the stockholders; *and provided further*, that the capital stock of such company shall not be reduced to an amount less than the sum now required by law for the organization of a new company under this act, for the transaction of business at the place where such company is located, and of the kind which such company is authorized to transact. No reduction of the capital of any such company shall be made, except upon a resolution of its directors, approved by at least two-thirds of the directors, certified under its corporate seal, signed by the president and at least two-thirds of the directors, and proved or acknowledged in the manner required by law for the proof or acknowledgement of conveyances, which certificate shall be filed in the office of said secretary of state before any action shall be had by him thereon. The secretary of state in case he shall permit any such company to reduce its capital in the manner provided in this act, shall execute the

Reduction not to be made except upon resolution of directors.

certificate required by this act in duplicate, and deliver one of such certificates to the officers of such company, who shall forthwith file the same with the clerk of the circuit court of the county in which such company is located, and the other such certificate shall be filed in the office of said secretary of state. Such company, upon filing the certificate with the clerk of the circuit court as required by this act, shall with such reduced capital, possess the same rights and be subject to the same liabilities that it possessed or was subject to at the time of the reduction of its capital. And the charter of such company shall be deemed to be amended in respect to the amount of capital, and the par value of the shares so as to conform to such reduction. It shall be lawful for the said company to require the return of the original certificate of stock held by each stockholder, and in lieu thereof to issue new certificates for such number of shares as each stockholder may be entitled to in the proportion that the reduced capital may be found to bear to the original capital of the company. It shall be lawful for any such company, after its capital shall be so reduced as aforesaid, to increase its capital stock in the mode prescribed by this law. It shall be the duty of all receivers and trustees of insurance companies during the month of January in each year, and at any other time when required by the secretary of state, to make and file annual and other statements of their assets and liabilities and of their income and expenditures, in the same manner and form and under the same penalties, as the officers of such companies are now required by law to make annual and other statements to the secretary of state's office. Every fire or fire and inland navigation insurance company, doing business in this state shall cause its annual statement by this act required to be filed, to be published in the official state paper for two weeks, and in one daily paper of general circulation, published in the city of Milwaukee.

SECTION 28. It shall not be lawful for any agent or agents to act for any insurance company or companies, directly or indirectly, in taking risks or transacting business of insurance in this state, without procuring from the secretary of state a certificate of authority, setting forth that such company has complied with all the conditions of this act. Agents appointed by any

When capital reduced, charter to be deemed amended.

Receivers and trustees to make annual statements.

Fire companies to publish annual statement.

Agents must procure certificate of authority from secretary of state.

company doing business in this state, shall be held personally responsible to such company for all moneys received by them for such company, and in case any such agent shall embezzle, or fraudulently convert to his own use any money belonging to such company which may have come into his possession or be under his care by virtue of his agency, shall be deemed by so doing to have committed the crime of larceny, and on conviction, shall be subject to the fines and penalties provided by the statute in such cases.

Agents of foreign companies to pay same increase of tax, etc., as required of Wisconsin companies in their states.

SECTION 29. Whenever the existing or future laws of any other state of the United States shall require of insurance companies, incorporated by or organized under the laws of this state, having agencies in such other states, or of the agents thereof, any deposit of securities in such state for the protection of policy holders or otherwise, or any payment of taxes, fines, penalties, certificates of authority, license fees or otherwise, greater than the amounts required for such purposes from similar companies of other states by then existing laws of this state, then, and in every such case all companies of such states having or establishing an agency or agencies in this state, shall be and are hereby required to make the same deposit with, pay the same taxes, fines, penalties and fees, for like purposes unto the secretary of state, imposed upon or required by the laws of such state of the companies of this state or agents thereof.

How expense of examination to be paid.

SECTION 30. The necessary expenditure of any examination made or ordered to be made by the secretary of state under this act shall be certified to by him and paid on his requisition by the company which is the subject of such examination: *provided*, such examination be not required of such companies organized outside of this state in states where under the laws thereof they are similarly supervised by and under the proper officer, as in such laws provided, and such officer shall furnish, whenever required to do so by the secretary of state, a certificate and statement exhibiting the solvency of such company.

Fees.

SECTION 31. There shall be paid by every company, association, person or persons or agent, to whom this act shall apply, the following fees: For filing the declaration or the certified copy of charter herein required, the sum of twenty-five dollars; for filing the annual

statement required, ten dollars; for each certificate of authority to agents of all companies doing business within this state, one dollar; for every copy of paper filed in his office, fifteen cents per folio, and for affixing the seal of said office and certifying to the same, fifty cents. In case two or more companies shall combine to effect insurance under a joint policy or policies, each and every company thus combining shall pay the fees provided herein, the same as if each and every one wrote separate policy or policies.

SECTION 32. It shall be the duty of the secretary of state, for the purpose of carrying into effect a more thorough supervision and examination of the affairs of all insurance companies doing business in this state, and enabling the secretary of state to exercise control over the same, as may be required by law, to establish in his office, a department to be called the department of insurance, and to employ such clerical and other assistance as he shall deem necessary, and at such expense as he shall determine, to maintain and keep such department, and to enable him to take charge of and conduct, or cause to be conducted, all examinations of the business and affairs of such insurance companies that are or may be required by law, and generally to exercise such supervision and control over insurance companies doing business in this state as the law may require: *provided*, that the whole amount of the expenses of such department in any year shall not exceed the amount of fees paid by insurance companies during that year; *and provided*, that such expenses, in no one year, shall exceed the sum of five thousand dollars; *and provided*, that the amount of all fees over and above five thousand dollars, paid by insurance companies under section 31 of this act, shall be paid over by the secretary of state to the state treasurer and go to the general fund; and for all such purposes, and to that extent, the secretary of state shall be called and held to be the commissioner of insurance.

SECTION 33. It shall be the duty of every company transacting the business of insurance under this act, to include in its annual statement, a statement showing the amount received in this state, during the year for which such statement is made, in cash for premiums, in premium notes, in cash notes, and the amount received from other sources; and showing also the

Secretary of state to establish department of insurance in his office.

Limitation of expenses thereof.

What annual statement shall include.

Fees for license

amount paid in this state for salaries, commissions to agents, and for losses during the same period. And each such company, before receiving a license to transact business for the current year, shall pay to the state treasurer a sum equal to two per centum of the gross cash receipts of such company in this state, including cash notes taken for premiums, during the year for which such statement is made: *provided*, all companies chartered or organized under the laws of this state may be allowed to deduct from such gross receipts, their office expenditures and officers' salaries; *and provided, further*, that when application for license is made by any company not organized under the laws of this state, and that shall not have transacted business within the state within one year prior to such application, the sum of five hundred dollars shall be paid by such company as a license for the first year; such sum to be computed by or under the direction of the secretary of state. And in order to ascertain the truth of such statements, the secretary of state may require such additional evidence as he shall deem necessary. The amount paid by the several insurance companies, as provided above, shall be in lieu of all state, county and municipal taxes and licenses, excepting taxes on real estate owned by any insurance company and exempt as provided in this act: *provided*, that this act shall not be construed to prohibit cities and incorporated villages, having an organized fire department, from collecting the two per cent. now allowed by law on the receipts of each insurance company within their respective limits, to be applied to the support of the fire department of such cities and villages.

Two per cent.
of premiums to
be paid for use
of fire depart-
ment.

SECTION 34. There shall be paid to the treasurer of the fire department of any incorporated city or village in this state, in which there may be a regularly organized fire department, for the use and benefit of said fire department, on the first day of February in each year by every person who shall act in said city or village as agent for or in behalf of any individual or association, or association of individuals, whether incorporated by the laws of this state or by the laws of any other state, territory or country, to effect insurance against losses or injury by fire, the sum of two dollars upon the hundred dollars, and at that rate upon the amount of all premiums, which, during the year or part of a year end-

ing on the next preceding first day of January, shall have been received by such agent or person, or received by any other person or persons for him, or shall have been agreed to be paid for any insurance effected or agreed to be effected, or promised by him as such agent or otherwise against loss or injury by fire, in any such city or village. No person shall in any such city or village, as agent or otherwise for any individual, individuals or association, effect or agree to effect any insurance upon which the duty above mentioned is required to be paid, or as agent or otherwise procure such insurance to be effected, until he shall have executed and delivered to the said treasurer a bond to the fire department of any such city or village, in the penal sum of one thousand dollars; with such sureties as the said treasurer shall approve, with a condition that he will annually render to the said treasurer, on the first day of February in each year, a just and true account, verified by his oath that the same is just and true, of all premiums which, during the year ending on the first day of January preceding such report, shall have been received by him, or any other person for him, or agreed to be paid for any insurance against loss or injury by fire in any such city or village, which shall have been effected or promised by him, or agreed to be effected or promised by him to be effected, from any individual or individuals, or association, incorporated as provided in the first section of this act, and that he will annually, on the first day of February in each year, pay to the said treasurer two dollars upon every hundred, and at that rate upon the amount of such premiums. Every person who shall effect, agree to effect, promise or procure any insurance specified in the preceding sections of this chapter, without having executed and delivered the bond required by the preceding section, shall for each offense forfeit one hundred dollars for the use of said fire department; such penalty of one hundred dollars shall be collected in the name of the fire department of any such city or village.

Agents shall execute bonds to fire department.

Penalty for failure thereof.

SECTION 35. Every person who, at any time hereafter, as agent or otherwise for any individual or individuals or association, may, in the city of Milwaukee, effect or agree to effect any insurance specified in the preceding sections of this chapter, shall on the first day of February in each year, or within ten

Agents in Milwaukee shall report change of place of business.

days thereafter, and as often in each year as he shall alter or change his place of doing business in said city, report in writing under his proper signature, to the treasurer of the fire department in the city of Milwaukee, the street and number thereof in the said city, of his place of doing business as such agent or otherwise, designating in such report the individual or individuals and association or associations for which he may be such agent or otherwise; and in case of default in any of these particulars, such person shall forfeit for every offense the sum of one hundred dollars, to be recovered and collected in the name of this state, for the use of the fire department in the city of Milwaukee.

If fire department have no treasurer, provisions of this act shall apply to village or city treasurer.

SECTION 36. In case the fire department of any such city or village shall have no such officer as treasurer, the provisions of this act, so far they are applicable to him, shall apply to the treasurer of such city or village, and the treasurer of such city or village shall, under the direction of the proper authorities thereof, pay over all moneys received or recovered by him under the provisions of this act, to the fire department of such city or village.

Where judgments against companies remain unpaid, new policies shall not be issued.

SECTION 37. It shall be unlawful for any insurance company against which a final judgment has heretofore been recovered or shall hereafter be recovered, in any court of competent jurisdiction in this state, after sixty days from the rendition of such judgment, and while the same remains unpaid, to issue any new policy of insurance; and in case any insurance company, by its officers or agent or agents shall violate the provisions of this section, such insurance company shall forfeit the sum of one thousand dollars, which may be recovered in the name of the state of Wisconsin, in an action of debt, and when collected shall be paid over to the common school fund; and any agent of such company who shall knowingly violate the provisions of this section, shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by fine, not exceeding five hundred dollars nor less than one hundred dollars, or by imprisonment in the county jail of the proper county, for a term not more than three months nor less than thirty days.

Repealed.

SECTION 38. Chapters 65 and 72 of the revised statutes, chapter 105 of the general laws of 1859, chap-

ter 158 of the general laws of 1867, chapter 179 of the of the general laws of 1867, chapter 98 of the general laws of 1869, be and the same are hereby repealed.

SECTION 39. This act shall take effect and be in force from and after its passage.

Approved March 14, 1870.

CHAPTER 57.

[Published March 19, 1870.]

AN ACT to perpetuate the memory of the late Governor Henry Dodge, and to encourage art.

WHEREAS, It has ever been an honored custom of all civilized and enlightened governments to perpetuate the memory of their eminent statesmen, generals and philanthropists, by means of paintings and statuary, as well as through the annals of history; and

WHEREAS, The state of Wisconsin has reason to be proud of the great ability, the sterling integrity and the eminent services of the late Governor Henry Dodge, and is called upon to recognize these qualities and services in some permanent and enduring way, that shall be creditable and honorable to the state; and

WHEREAS, We believe Mr. E. P. Knowles to possess genius and talent as a sculptor of the highest order, and that he is capable of executing a statue that shall reflect credit both upon himself as an artist and upon the state of which he is a citizen; therefore,

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

SECTION 1. That E. P. Knowles be employed to execute a marble bust of the late Governor Henry Dodge, to be placed in some fit and conspicuous place within the state capitol, said bust to be executed of the finest marble, and not to exceed in cost the sum of two thousand dollars, one-fourth of which sum shall be

E. P. Knowles
to execute bust
of Gov. Dodge.