

## CHAPTER 59.

[Published March 22, 1870.]

AN ACT to regulate the business of life insurance.

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

SECTION 1. Before any life or accident insurance company shall do business in this state, it shall have a guarantee capital of at least one hundred thousand dollars paid in money, invested as hereinafter provided, or actual assets to the like amount invested in stocks of the United States or of this state, estimated at their market value, or in such other stocks and securities as may be approved by the secretary of state, or in mortgages being first liens on real estate, the said real estate being worth at least twice the amount of money loaned thereon, with abstract showing a good and sufficient title, and the certificate of two reputable land holders, under oath, certifying to the value of said property.

Capital and investment required.

SECTION 2. No policy shall be issued until a certificate from the secretary of state has been obtained, authorizing such company to issue such policies. The secretary of state or some person or persons authorized by him, shall examine the capital and assets of any company applying for such certificate, and the secretary of state shall issue the same only when satisfied that the company applying therefor has complied with the provisions of the first section of this act. Every insurance company incorporated in this state, shall pay to the secretary of state for the examination required by this section, when made, the sum of thirty dollars.

Examination by secretary of state.

SECTION 3. It shall not be lawful for any person to act within this state, as agent or otherwise, in receiving or procuring applications for life insurance, or in any manner to aid in transacting the business of life insurance, referred to in the first section of this act, for any company or association incorporated by or organized under the laws of any other state government, unless such company has conformed in such state, or in this state, to the same requirements in regard to capital that are

Conditions as to agents.

imposed by section one of this act, upon companies doing business in this state, or in lieu thereof, has actual assets to the amount of at least one hundred thousand dollars invested in the same manner as is prescribed in regard to capital, in section one of this act.

Home companies shall transmit statements.

SECTION 4. Every life or accident insurance company incorporated in this state, or doing business in this state, shall on or before the first day of March in each year, transmit to the secretary of state and file in his office, a statement of the business, standing and affairs, in the form prescribed or authorized by law, and adapted to the business done by such company, signed and sworn to by the president or vice president and secretary, and made out for the year ending on the preceding thirty-first day of December.

Foreign companies shall make annual statement.

SECTION 5. All life or accident insurance companies chartered or organized in any other state of the United States, or beyond the limits of the United States, and doing business in this state, shall make an annual statement 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. The secretary of state shall have authority to extend the time for filing such statement, for reasons which he shall deem good and sufficient, whether the company is organized in this state or elsewhere. The statements herein provided for shall be in lieu of any and all statements now required by any existing law.

When companies beyond limit of United States to make return.

SECTION 6. Life or accident insurance companies, chartered beyond the limits of the United States, and doing business in this state, shall make a return of their standing on the thirty-first day of December in each year, agreeable to the form required by this act of other companies doing a similar business in this state, said return to be made to the secretary of state, on or before the first day of March, annually, and verified and sworn to by the president, secretary or resident managing officer of such company in the United States.

Form of statements.

SECTION 7. The form for life or accident insurance companies shall be as follows :

- 1st. Name of the company.
- 2d. When chartered.
- 3d. For what period.

4th. Where located.

5th. State in full the assets of the company.

6th. Number of shares owned in any bank; state par value, cost and the market value per share.

7th. Number of shares owned in any railroad; stating the corporate name of each, and money invested in each, at cost, on its books; state the par value and market value of each share.

8th. Amount owned in railroad bonds; state par value, cost and market value per share.

9th. Amount invested in real estate at cost, on the books of the company.

10th. Amount loaned on mortgages of real estate, and estimated value of said real estate.

11th. Amount loaned on notes secured by collaterals of personal property.

12th. Amount loaned on notes without collaterals.

18th. State in full all other investments.

14th. How much, included in the foregoing statement of assets, consists of premium notes on policies not returned as now in force.

15th. Number, date, kind and amount of each outstanding policy, and age of the insured, excepting in case of companies whose policies have been valued by the proper officer in some other state, which valuation shall be shown by certificate from the insurance department of such state.

16th. Number and amount of each class or kind of policies which have, within the year, ceased to be in force; how terminated; what has been paid to the legal holders of the policies.

17th. Amount of losses ascertained and unpaid.

18th. Amount of losses claimed against the company, whether acknowledged as due or not by the company.

19th. Amount due from the company on its declared, promised or acknowledged indebtedness or other claims, including dividends, bonuses on distribution of surplus, or as profits.

20th. Amount received for premiums the past year.

21st. Amount received for premiums in cash.

22d. Amount received for premiums in promissory notes or securities.

23d. Amount received for interest the past year.

24th. Amount paid for interest the past year.



25th. Amount of guarantee funds; and state particularly whether the same are in cash or subscription notes.

26th. How are dividends, distributions of surplus funds, bonuses or estimated profits, paid? Whether in cash, scrip or otherwise, on credit, and whether on demand; or if on credit, for what length of time, and whether payable at a specific time or indefinitely, at the discretion of the company.

27th. Amount paid for expenses, taxes and commissions the past year, classified.

28th. Amount of dividends paid, specifying the amount paid to stockholders and the amount paid to policy holders.

Secretary of state to revise statement and propose additional inquiries.

SECTION 8. The secretary of state is hereby authorized to amend and revise the forms of annual statements hereinbefore prescribed, and to propose such additional inquiries as are necessary to elicit a full exhibit of the business and standing of the various insurance companies doing business in this state.

Penalty for neglecting to make statement or making false one.

SECTION 9. Any company doing business in this state, neglecting to make returns in the manner and within the time hereinbefore authorized and prescribed shall forfeit one hundred dollars for each day's neglect; and every company that wilfully makes false statements, shall be liable to a fine of not less than five hundred dollars, nor more than one thousand dollars. Any new business done by any company or its agents in this state, that has neglected to make true returns in the prescribed form, shall be deemed to be done in violation of law.

When net value of funds not equal to net value of policies issued, secretary of state to notify company.

SECTION 10. When the actual funds of any life insurance company doing business in this state, are not of a net value equal to the net value of its policies, according to the American experience table of mortality, with interest at four and one-half per cent. per annum, it shall be the duty of the secretary of state to give notice to such company and its agents, to discontinue issuing new policies within this state, until such time as its funds have become equal to its liabilities, valuing its policies as aforesaid. Any officer or agent who, after such notice has been given, issues or delivers a new policy from and on behalf of such company, before its funds have become equal to its liabilities as

aforesaid, shall forfeit for each offense, a sum not exceeding one thousand dollars.

SECTION 11. It shall be lawful for any company, organized in this state to invest its funds or accumulations in the stocks of the United States or of this state, or of any incorporated city or town in this state, or in mortgages (being first liens) on real estate, being worth at least twice the amount of the money loaned thereon, and any company may loan to policy holders in such company, from time to time, sums not exceeding one-half the annual premiums on their policies, upon notes to be secured by the policy of the person to whom the loans may be made.

May invest funds in stocks.

SECTION 12. When any life or accident insurance company, organized under the laws of this state, shall transact business in any other state, it may invest its surplus funds in such state, in like security, and under the same restrictions as in this state.

Home companies doing business in other states may invest in such states.

SECTION 13. The secretary of state is hereby authorized and empowered to address any inquiries to any life or accident insurance company, or to the secretary thereof, in relation to its doings or conditions, or any other matter connected with its transactions, and it shall be the duty of any such company so addressed, to reply promptly in writing to any such inquiries; and all such companies, not incorporated under the laws of this state, failing to answer all such inquiries, shall not be authorized to transact any business in this state, and their certificates of authority may be revoked and canceled. It shall be the duty of the secretary of state to make or cause to be made, an examination of the condition and affairs of any life or accident insurance company doing business in this state, whenever he shall deem it expedient to do so, and also whenever he shall have good reason to suspect the correctness of any annual statement, or that the affairs of any company, making such statements, are in an unsound condition.

Secretary of state may address inquiries to companies.

SECTION 14. Life or accident insurance companies doing business in this state, which do business upon the principal of mutual insurance, or the members of which are entitled to share in the surplus funds thereof, may make distribution of such surplus as they may have accumulated, annually or once in two, three, four or five years, as the directors thereof may from time to time determine. In determining the amount of the surplus

Distribution of surplus funds.

to be distributed, there shall be reserved an amount not less than the aggregate net value of all the outstanding policies; said value to be computed by the American experience table of mortality, with interest not exceeding four and one-half per cent.

Appointment of attorney.

SECTION 15. Every life or accident insurance company not organized in this state, before doing business in this state, shall appoint an attorney, resident in this state, upon whom all lawful processes against the company may be served with like effect as if the company existed in this state; and said power of attorney shall stipulate and agree, on the part of the company making the same, that any lawful process against said company, which is served on said attorney, shall be of the same legal force and validity as if served on said company. A copy of said power of attorney, duly certified and authenticated, shall be filed in the office of the secretary of state, and copies certified by him shall be sufficient evidence. This agency shall be continued while any liability remains outstanding against the company in this state, and the power shall not be revoked until the same power is given to another, and a like copy filed as aforesaid. Service upon said attorney shall be deemed sufficient service upon the company.

State treasurer to receive deposits.

SECTION 16. The treasurer of the state, in his official capacity, shall take and hold on deposit, the securities of any life insurance company incorporated under the laws of this state, which are deposited by any such company for the purpose of securing policy holders and complying with the law of any state, in order to enable such company to transact business in such state. The companies depositing such securities shall have the right to receive the income thereof, and at any time to exchange the same, according to the laws of the state in which they may be doing business.

Valuation of policies.

SECTION 17. If any life insurance company organized in this state, or in any other state of the United States, or in any foreign country, whose policies are not valued by the insurance department or proper officers of any other state, shall transact business in this state, it shall be the duty of the secretary of state to calculate the existing value of all outstanding policies of such company; and every such company shall pay, annually, to the secretary of state, by way of compen-

sation, one cent on every thousand dollars for the valuation of its policies issued by it on lives. A certified copy of the valuations of the policies of any company organized in this state or any other state, made by the insurance department or other proper officers of the states of Massachusetts or New York, filed in the office of the secretary of state shall be a compliance with this section.

SECTION 18. No life insurance company organized under the laws of this state shall issue policies insuring fire, or marine, or accident, or live stock risks, nor do any banking business. Not to issue policies.

SECTION 19. It shall be lawful for any married woman, by herself and in her own name, or in the name of any third person, with his assent as her trustee, to cause to be insured for her sole use, the life of her husband, son or other person for any definite period, or for the term of the natural life of such person; and it shall be lawful for any person effecting or causing to be procured or effected any policy of insurance of the life of any person, to assign, transfer or cause the same to be made payable to any married woman or to any person in trust, for her or her benefit, whether the person effecting or procuring such insurance or making such assignment or transfer be the husband of such married woman or not, and such policy of insurance, when expressed to be for the benefit of or assigned, transferred or made payable to any married woman, shall inure to her separate use and benefit and that of her children, and in case of her surviving such period or term, the sum or net amount of the insurance becoming due and payable by the terms of the insurance, shall be payable to her, to and for her own use and benefit, free from the claims of her husband, his representatives or creditors, and free from the claims of the person effecting, assigning or transferring such insurance, his representatives or creditors: *provided, however,* that if the premium on such policy is paid by any person with the intent to defraud his creditors, an amount equal to the premium so paid, with the interest thereon, shall inure to the benefit of said creditors, subject, however, to the statute of limitations. The amount of the insurance may be made payable, in case of the death of the wife, before the period at which it becomes due, to his, her Rights of married women.

or their children for their use, as shall be provided in the policy of insurance, and to their guardian, if under age, and the receipt of such married woman or of such children, or of their guardian, if minors, in the cases in which such insurance is payable to them or either of them, pursuant to the terms of the policy and the provisions of this act shall relieve the insurance company from all further liability therefor. The provisions of this section shall apply to all insurances on lives effected before the passage of this act.

Reciprocity.

SECTION 20. Whenever the existing or future laws of any other state of the United States shall require of life insurance companies, incorporated by or organized under the laws of this state, or of the agents thereof, any deposit of securities in such state for the protection of policy holders or otherwise, or any payment for taxes, fines, penalties, certificates of authority, license fees or otherwise, greater than the amount required for such purposes from similar companies of other states, by the then existing laws of this state, then, and in every such case, all life or accident insurance companies of such states establishing or having heretofore established an agency or agencies in this state, shall be and are hereby required to make the same deposit for a like purpose with the state treasurer of this state, and to pay to the secretary of state for taxes, fines, penalties, certificates of authority, license fees or any other obligation, an amount equal to the amount of such charges and payments imposed by the laws of such other state upon the companies of this state, and the agents thereof.

Must file charter.

SECTION 21. Every life or accident insurance company not organized under the laws of this state, shall before doing business in this state, deposit with the secretary of state a copy of the charter of the company, and a statement, signed and sworn to by the president or vice president and secretary, in the form prescribed or authorized for the annual statement adapted to the business done by such company.

Who held to be agents.

SECTION 22. Whoever solicits insurance on behalf of any life or accident insurance company not chartered by and not established within this state, or transmits, for any person other than himself, an application for life or accident insurance, or a policy of life or accident insurance, to or from such company, or adver-



tises that he will receive or transmit the same, shall be held to be an agent of such company to all intents and purposes, and subject to all the duties, requisitions, liabilities and penalties set forth in the laws of this state, relating to life or accident insurance companies not incorporated by the legislature thereof.

SECTION 23. Any agent making insurance, in violation of any law of this state regulating life insurance companies, shall forfeit for each offense, a sum not exceeding five hundred dollars. Forfeit.

SECTION 24. For filing the annual statement required in the office of the secretary of state, the said secretary shall be paid twenty-five dollars; for each agent's certificate of authority, one dollar; for every copy of a paper filed in the secretary's office, twenty cents per folio, and for affixing the seal of said office to such copy and certifying the same, one dollar; and for examining the affairs of any company, when deemed necessary, the expenses incurred therein shall be paid to said secretary of state by the company Fees of secretary of state.

SECTION 25. The secretary of state shall annually, on or before the first day of May, prepare and print in a single document, the information contained in the statements made under this act, and shall communicate the same to the legislature. He shall also cause the annual statements required to be filed by this act, to be published in the official state paper for one week, and for the like period in a newspaper published in the city of Milwaukee, at the expense of such companies respectively. Advertising statements.

SECTION 26. It shall be unlawful for any life or accident 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 shall remain unpaid, unless execution be stayed by appeal according to law, to issue any new policy of insurance, and in case any life insurance or accident company by its officers or agent or agents shall violate the provisions of this section, such life or accident 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 When judgment standing against company, not to issue new policies, and penalty.

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 three months nor less than thirty days; *and provided*, that the Provident Life Insurance Company of Chicago, state of Illinois, and the Eagle Insurance Company of Chicago, state of Illinois, shall not be permitted to issue any policy of insurance in this state, and shall not have any right or privileges whatever under or by virtue of this act.

Companies prohibited.

Must obtain license before transacting business.

SECTION 27. No life or life and accident insurance company shall transact business in this state without first having obtained a license therefor from the secretary of state, which license when issued shall authorize the insurance company named therein and the agents thereof, to transact business in this state until the last day of February following the date thereof. No such license shall be issued by the secretary of state to any life, or life and accidental insurance company until such company shall have filed in the office of the secretary of state, the reports and statements in this act required, and shall have paid to the state treasurer in addition to the fees in this act prescribed, an annual license fee of three hundred dollars, and all life and life and accident companies organized in this state under special charters granted for that purpose, or under general laws, shall pay into the state treasury one per cent on the cash receipts for premiums received by such company in the state of Wisconsin for the year preceding the making of the annual report as hereinbefore provided, which sum shall be paid to the state treasurer at the time such report is filed with the secretary, for which sum so paid the state treasurer shall execute duplicate receipts. The payment of the sum provided in this section, shall be in lieu of all taxes for any purpose authorized by the laws of this state, excepting taxes upon such real estate as may be owned by such company: *provided*, that nothing in this act shall be construed to relieve any company from the payment of any license fees or taxes now due under existing laws upon business transacted prior to January first, 1870.

SECTION 28. Chapters one hundred and fifty-eight <sup>Repealed.</sup> and one hundred and seventy-nine of the general laws of 1867, and sections one and two of chapter one hundred and eighty-two of the general laws of 1862, so far as they relate to life insurance companies, or the business of life insurance, are hereby repealed.

SECTION 29. This act shall take effect and be in force from and after its passage.

Approved March 14, 1870.

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CHAPTER 60.

[Published March 19, 1870.]

AN ACT to amend chapter 182 of the general laws of 1865, in relation to public printing.

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

SECTION 1. Section five (5) of chapter one hundred and eighty-two (182) of the general laws of 1865, entitled "an act to amend section fourteen (14) of chapter three hundred and fifteen (315) of the general laws of 1860, entitled 'an act to provide for letting the public printing by contract, and to establish maximum prices for the execution thereof, and to provide for re-letting the same in certain cases,'" is hereby amended so as to read as follows: Section 5. The following prices for printing and binding, and furnishing paper to be used in the public printing, are hereby established as maximum prices for doing the work and furnishing materials for the public printing and binding of this state:

COMPOSITION, PER 1,000 LMS.	Schedule.
Plain.....	\$0 60
Figure work .....	90
Rule and figure work .....	1 20
PRESS WORK.	
Per token .....	60