

[No. 108, S.]

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CHAPTER 255.

AN ACT to authorize the formation of manufacturers' and millers' mutual insurance companies.

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

Authority for organization of corporations.

SECTION 1. Any number of persons, not less than nine, actual residents of the state, and who are engaged in the milling or manufacturing business within this state, and who collectively own property not less in value than one hundred thousand dollars, may form an incorporated mutual insurance company for the purpose of insuring mills and manufactories against loss or damage by fire.

Directors.

SECTION 2. The incorporators of any company organized under this act shall be directors of such company until the first annual meeting.

Limitations.

SECTION 3. No policy shall be issued by any company organized under the provisions of this act until at least twenty-five applications for insurance of one thousand dollars each are obtained. If, at any time after such company is organized and doing business, and the number of policies in force should become less than twenty-five of one thousand dollars each, it shall be the duty of the officers of such company to notify the secretary of state, who shall proceed to wind up the affairs of said company.

Articles of association to be filed with secretary of state.

SECTION 4. Such person shall file in the office of the secretary of state a declaration of their intention to form a company for the purposes expressed in the preceding sections, which declaration shall be signed by all the corporators, and shall contain a copy of the charter proposed to be adopted by them. Such charter shall set forth the name of the corporation proposed to be formed, the object and intention of the company, the city, town or village in which the business office of said company is to be located, the intended duration of said company, and if the said proposed charter is found to be conformable to the laws and constitution of this state, the secretary of state shall thereupon deliver to such persons a certified copy of the charter, which, on being filed in the office of the county clerk of the county where the office of such company is to be located, shall be their authority to organize and commence business: *provided*, that such charter so obtained shall be subject to the control of and modification by the legislature.

SECTION 5. The number of directors shall be nine, five of whom shall constitute a quorum to do business. They shall be elected by ballot, and hold their offices for three years, and until their successors are elected and qualified. At the first election of a board of directors, three directors shall be elected for one year, three for two years, and three for three years. At annual elections thereafter, three directors shall be elected for the full term of three years. Vacancies in the board of directors, occurring during the year, can be filled by the directors, but such appointments shall be subject to confirmation by the company at the annual meeting. The annual meeting shall be held once in each year, at a time agreed upon by the directors. Every person insured shall be entitled to one vote for each five hundred dollars that he may be insured in the company, and may cast the same in person or by proxy.

Election of directors, their powers and duties.

SECTION 6. The directors shall elect from their number a president and treasurer, and shall also elect a secretary, who may or may not be a member of the company, all of whom shall hold their offices for one year, and until their successors, are elected and qualified.

Officers.

SECTION 7. The treasurer and secretary shall each give bonds to the company for the faithful performance of their duties, in such amounts as shall be prescribed by the board of directors.

Bonds.

SECTION 8. Such corporation and its board of directors shall possess the usual powers and be subject to all the usual duties of corporations and directors thereof, and may make such by-laws, not inconsistent with the constitution or laws of this state, as may be deemed necessary for the management of its affairs in accordance with the provisions of this act; also to prescribe the duties of its officers and fix their compensation, and to alter and amend its by-laws when necessary.

Corporate powers.

SECTION 9. Such company may issue policies on mills, manufactories and property contained in and about such mills and manufactories for any time not exceeding five years, and not to extend beyond the limited duration of the charter, and for an amount not to exceed ten thousand dollars on any one risk. All persons so insured shall give their obligation to the company, binding themselves, their heirs and assigns to pay their pro rata to the company, of the necessary expenses and losses by fire which may be sustained by any member thereof during the time for

Policies.

which their respective policies are written, and they shall also, at the time of effecting the insurance, pay such per centage in cash, and such other charges as may be required by the by-laws of the company.

Classification of property.

SECTION 10. Any such company may classify the property insured therein at the time of issuing policies thereon, under different rates, corresponding as nearly as may be to the greater or less risk from fire and the loss which may attach to each of the several buildings insured.

In case of loss.

SECTION 11. Every member of such company who may sustain loss by fire, shall immediately notify the secretary, who shall proceed at once to determine the amount of loss or damage, and, if possible, make settlement. If the party sustaining loss shall not acquiesce in the decision, the claim shall be submitted to referees, mutually agreed upon, whose award shall be final. If the amount awarded by the referees shall be greater than the amount awarded by the company, the company shall bear the expense of the reference; if less, the party procuring the reference shall bear the expense.

Assessments.

SECTION 12. Whenever the amount of any loss has been ascertained, which requires an assessment to be made, then the president and the officers of the company shall make an assessment upon all the property insured, to the amount for which each several piece of property is insured, taken in consideration with the rate of premiums under which it may have been classified.

Notice of assessment.

SECTION 13. It shall be the duty of the secretary, whenever any such assessment shall have been completed, to immediately notify every person composing such company, by letter sent to his usual postoffice address, of the fact of a loss, the amount of such, and the sum due from him, as his share thereof, and of the time when and to whom such payment is to be made, but such time of payment shall not be less than thirty nor more than sixty days from the date of such notice.

Lapse of policy

SECTION 14. If the assured neglect payment of any assessments within sixty days from date of said notice, then his policy shall be null and void until said assessment is paid, and also the assessments which may be levied during the suspension of the policy, on account of the nonpayment of a previous assessment.

Suits to recover assessments.

SECTION 15. Suits at law may be brought against any member of such company who shall refuse or

neglect to pay any assessment made upon them by the provisions of this act, and the directors of any company formed, who shall willfully neglect or refuse to perform the duties imposed upon them by the provisions of this act, shall be liable in their individual capacity to the persons sustaining such loss.

SECTION 16. The certified copy of the charter provided for in section two of this act may used in evidence for and against said company with the same effect as the original. **Evidence.**

SECTION 17. It shall be the duty of the secretary to prepare an annual statement, showing the condition of such company on the thirty-first day of December in each year, and present the same to the annual meeting. **Annual statement.**

SECTION 18. It shall be the duty of the president and secretary of every such company on the first day of January in each year to transmit to the secretary of state a verified statement of the condition of the company on the thirty-first day of December, then next preceding, in such form as the said secretary may direct. **Verified statement to be filed with secretary of state.**

If upon examination he is of the opinion that such company is doing business correctly, and in accordance with law, he shall thereupon furnish the company his certificate, which shall be deemed authority, to continue business for the ensuing year. For such examination and certificate the company shall pay three dollars. Each company shall pay at the time of organization for services of secretary of state, the sum of ten dollars. **Secretary's certificate.**

SECTION 19. Any company organized under the provisions of this act may be proceeded against and dissolved in the manner and upon the same conditions as provided for in case of other insurance companies incorporated in this state. **Charter fee.**

SECTION 20. Any member of any such company may withdraw therefrom by giving notice, in writing, to the secretary thereof, and paying up all dues and his ratable share of all loss or damage by fire suffered by such company, up to the date of his withdrawal. The officers shall have power to annul any policy by giving notice in writing to that effect to the holder thereof, and paying all dues which may appear to be due to such member. **Companies may be dissolved.**

SECTION 21. This act shall be in force from and after its passage and publication. **Withdrawals.**

Approved March 18, 1878. **Cancellation of policies.**