

price fluctuations; but reserves may be provided for anticipated losses upon redemption as determined by the board. *All investment expense shall be charged to interest income.*

66.90 (21) (c) The balances at the beginning of any year in the \* \* \* disability and death surplus accounts shall be charged or credited, as the case may be, with interest at the prescribed rate as of the end of each year.

SECTION 16. 66.90 (21) (d) of the statutes is created to read:

66.90 (21) (d) The balance at the beginning of any year in the annuity payment account, as adjusted by transfers thereto and payments therefrom, shall be credited with interest at the prescribed rate as of the end of each year.

SECTION 17. 66.90 (22) (a) 1. of the statutes is amended to read:

66.90 (22) (a) 1. Authorized and directed to deduct all normal and additional contributions from each payment of earnings payable to each participating employe who is entitled to any earnings from the municipality. \* \* \* All such contributions \* \* \* shall be due and be deposited in the office of the board *not later than the end of the month in which the earnings are paid.*

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No. 64, S.]

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### CHAPTER 100.

AN ACT to amend 201.42, 203.16 (3), 204.06 (1) and (4), 204.35 (1), 206.22; and to repeal and recreate 209.01 of the statutes, relating to deposit of securities by insurers.

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

SECTION 1. 201.42 of the statutes is amended to read:

201.42 When any foreign insurance corporation shall elect to discontinue business in this state it shall, before withdrawing its securities deposited with the *state* treasurer, reinsure all its risks on property in this state to the satisfaction of the insured and the commissioner, and when so reinsured the said commissioner shall certify the fact or that no such risks

exist to the *state* treasurer, who shall thereupon, and not otherwise, surrender its securities *as provided in section 209.01*.

SECTION 2. 203.16 (3) of the statutes is amended to read:

203.16 (3) Said guaranty surplus fund shall be invested in the \* \* \* *securities specified in section 209.01 (3)*, and shall be held liable and applicable in the same manner as the capital to the payment of the losses; and such special reserve fund shall be invested only \* \* \* *in securities specified in section 209.01 (3)*, and shall be deposited from time to time as the same shall be invested with the state treasurer, who shall permit said corporation to collect and receive the interest or dividends upon such securities as the same may accrue; but no such securities so deposited shall be withdrawn unless others of equal \* \* \* value are substituted therefor; and such special reserve fund shall be deemed a fund contributed by the stockholders to protect such corporation and its policyholders in case of extraordinary conflagrations; and said fund shall not be liable for any claims for losses except as hereinafter provided.

SECTION 3. 204.06 (1) and (4) of the statutes are amended to read:

204.06 (1) No domestic corporation shall transact surety business unless it shall deposit and keep on deposit with the \* \* \* *state treasurer securities specified in section 209.01 (3)* worth, at their market value, not less than \$100,000, and, in case such corporation transacts such business in other states, its total deposits shall be at least \$250,000.

(4) The securities deposited pursuant to this section shall be held, exchanged, withdrawn, disposed of and the interest therefrom be paid to the corporation making the deposit *as provided in section 209.01*; provided, the total market value of the securities on deposit shall not fall below the minimum required by this section.

SECTION 4. 204.35 (1) of the statutes is amended to read:

204.35 (1) In case of an accident association before license is issued it shall deposit *and maintain* with the state treasurer for the payment of claims against it \* \* \*, securities \* \* \* *specified in section 209.01 (3)* of not less than \$1,000 \* \* \*.

SECTION 5. 206.22 of the statutes is amended to read:

206.22 Every life insurance company, organized under the laws of any foreign country, shall as one of the conditions of

renewal of its license, invest, and at all times keep invested, the aggregate net value of policies written in this state or on the lives of its residents, in securities authorized \* \* \* in section 209.01 (3), and deposit such aggregate amount in such securities \* \* \* with the state treasurer \* \* \*.

SECTION 6. 209.01 of the statutes is repealed and recreated to read:

209.01 DEPOSITS OF INSURERS. (1) ACCEPTANCE AND APPROVAL. The state treasurer shall accept, subject to the approval of the commissioner of insurance, deposits of securities by insurers as follows:

(a) Deposits in amount as required to be made as prerequisite to a certificate of authority to transact business in this state and other deposits required by the laws of this state.

(b) Deposits of domestic insurers or insurers of foreign countries in amount as required to be made by the laws of other states as prerequisite for authority to transact insurance in such other states.

(c) Deposits in amount as resulting from application of the retaliatory provisions of section 76.35.

(d) Deposits in other additional amounts permitted to be made by the laws of this state.

(2) IN TRUST FOR POLICYHOLDERS. Each such deposit except the deposits required under sections 200.04 (4) and 209.02 shall be held by the state treasurer in trust for the protection of all policyholders of the insurer making it; except that deposits of insurers of foreign countries shall be so held for the security of such insurers' obligations arising out of its transactions in the United States, and except as to deposits the purpose of which may be further limited pursuant to the retaliatory provisions of section 76.35.

(3) SECURITIES ELIGIBLE FOR DEPOSIT. All such deposits shall consist of bonds, notes or other evidences of indebtedness which are direct obligations of the United States with the proceeds to be available to the state treasurer.

(4) VALUATION OF SECURITIES ON DEPOSIT. Securities so deposited or held on deposit shall be valued at their market value in the same manner as like investments of domestic insurers.

(5) RECEIPT AND RECORD OF DEPOSITS. The state treasurer shall deliver to the insurer a receipt for all securities

deposited and shall, on application of the insurer, issue such certificate of such deposit as may be required by any law of the United States or of any other state or foreign country or by the order of any court of competent jurisdiction. The commissioner shall keep a record in permanent form of securities deposited by insurers and of any transfers or withdrawals of such deposits.

(6) **TRANSFER OF SECURITIES.** No transfer of securities so held on deposit, whether voluntary or by operation of law, shall be valid unless approved in writing by the commissioner of insurance, and countersigned by the state treasurer or by their authorized deputies.

(7) **INTEREST AND SUBSTITUTIONS.** While solvent and complying with the provisions of the laws of this state an insurer shall be entitled: (a) to receive interest and dividends accruing on the securities so held on deposit for its account, as provided in section 14.42;

(b) from time to time to exchange and substitute any of such securities for other securities eligible for deposit and of equal value.

(8) **RELEASE OF DEPOSIT.** (a) Any such required deposit shall be released in these instances only:

1. Upon extinguishment of all liabilities of the insurer for the security of which the deposit is held, by reinsurance contract or otherwise.

2. If any such deposit or portion thereof is no longer required under the laws of this state or of any other state or foreign country.

3. If the deposit has been made pursuant to the retaliatory provisions of section 76.35, it shall be released in whole or in part when no longer required.

4. Upon proper order of a court of competent jurisdiction, the deposit shall be released to the receiver, conservator, rehabilitator, or liquidator of the insurer for whose account the deposit is held.

(b) No such release shall be made except on application to and written order of the commissioner of insurance made on proof satisfactory to him of the existence of one of such grounds therefor. The commissioner of insurance and the state treasurer shall have no personal liability for any release of any deposit or part thereof so made by them in good faith.

(e) All releases of deposits or any part thereof shall be made to the person then entitled thereto upon proof of title satisfactory to the commissioner of insurance and state treasurer.

(9) PARTIAL RELEASE OF DEPOSITS. Any part of any deposit of an insurer held by the state treasurer on the effective date of this act which is in amount in excess of the deposit required or permitted to be made by such insurer under the laws of this state or of any other state or foreign country, shall, upon written order of the commissioner of insurance be released. The provisions of subsection (8) (b) shall apply to such partial release.

(10) VOLUNTARY EXCESS DEPOSIT. An insurer may deposit and maintain on deposit with the state treasurer eligible securities in amount exceeding its required deposit for the purpose of absorbing fluctuations in the value of securities held in its required deposit, and to facilitate the exchange and substitution of such required securities. During the solvency of the insurer any such excess deposit or any part thereof shall be released to it upon request. During the insolvency of the insurer such excess deposit shall be released only as provided in section 209.01 (8).

(11) NOT SUBJECT TO LEVY. No judgment creditor or other claimant of an insurer shall levy upon any deposit held pursuant to this section.

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### CHAPTER 101.

AN ACT to repeal 221.255 and to amend 221.04 (1) (f) of the statutes, relating to bank stations.

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

SECTION 1. 221.255 of the statutes is repealed.

SECTION 2. 221.04 (1) (f) of the statutes is amended to read:

221.04 (1) (f) To exercise by its board of directors, or duly authorized officers or agents, subject to law, all such incidental powers as shall be usual and necessary to carry on the business