

No. 289, S.]

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CHAPTER 94

AN ACT to create 206.34 (1) (fc) of the statutes, relating to investments of domestic life insurance companies.

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

206.34 (1) (fc) of the statutes is created to read:

206.34 (1) (fc) 1. In equipment securities or in certificates of any equipment trust evidencing rights to receive partial payments agreed to be made upon any contract of leasing or conditional sale of motor vehicles or aircraft used or to be used for commercial purposes, the issue of which has been approved by the proper public authority, if such approval was required by law at the time of issue, if such lessee or conditional vendee is a solvent company organized under the laws of the United States or of any state thereof, or of the Dominion of Canada or of any province thereof, and if the net earnings of such company available for fixed charges as defined and applied pursuant to pars. (en), (eo) and (ep) for a test period of 3 fiscal years next preceding the date of invest-

ment by the insurance company shall have averaged per year not less than 2 times its average annual fixed charges applicable to such period; provided that the company issuing such securities has not defaulted in the payment of principal or interest upon any of its bonds, or other evidences of indebtedness at any time during 5 years prior to the date of investment therein, or since issuance, if issued less than 5 years prior to the date of investment therein.

2. As used in this paragraph, the term "motor vehicle" means any automobile, truck, trailer, semitrailer, tractor, motor bus or any self-propelled or motor-driven vehicle except any motor-driven cycle, and including any such vehicle operated upon rails and any trackless trolley car.

3. As used in this paragraph, the term "commercial purposes" includes the use of such vehicles for the transportation of the employes and agents of the company.

4. No insurance company shall invest in any one issue of such securities under this paragraph in excess of 2 per cent of its admitted assets.

Approved May 10, 1955.
