

pose under the laws of said state, be, and is hereby, authorized and empowered to also insure against loss or damage by hail, tornado, cyclones and wind storms, and to make contracts and policies accordingly.

When act to
take effect.

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

Approved March 2, 1885.

CHAPTER 186.

AN ACT AUTHORIZING THE FORMATION OF COMPANIES FOR MUTUAL INSURANCE AGAINST LOSS AND DAMAGE BY HAIL, TORNADES, CYCLONES AND HURRICANES.

Be it enacted by the Legislature of the State of Minnesota:

Companies, how
formed.

SECTION 1. Any number of persons not less than twenty-five (25) residing in this state, who shall collectively own real estate herein of not less than twenty-five thousand dollars (\$25,000) in value, may associate themselves and become incorporated for the purpose of mutual insurance against loss or damage by hail, tornadoes, cyclones and hurricanes, by complying with the provisions of this act.

How organized.

SEC. 2. They shall organize by adopting and signing articles of incorporation, which shall contain:

First—The name of the corporation, which shall not be the same as that previously assumed by any other corporation in the state.

Second—The general nature of its business, and the place of the principal office or headquarters.

Third—The names and residence, and the value of the real estate owned by the persons, respectively, so associating to form such corporation.

Fourth—The time of the commencement and the period of the duration of such corporation.

Fifth—The number, names and places of residence of the directors, and of the president, secretary and treasurer of such corporation for the first year of its existence, and the time and place of the election of their successors.

Articles to be
signed and filed
for record.

SEC. 3. Such articles shall be acknowledged by the persons signing the same in the manner by law provided for the acknowledgment of deeds, and shall be filed for record in the office of the secretary of state.

SEC. 4. The secretary of state shall before recording such articles submit the same to the attorney general, who shall examine said articles, and if he find the same to have been executed in conformity to law, he shall indorse the word "approved" thereon, and date, sign and return the same to the secretary of state, who shall thereupon record the same in the records in his office, and shall issue under his hand and official seal and deliver to the said corporation his certificate to the effect that such corporation has been duly incorporated under the provisions of this act, and is authorized to transact business from and after the date thereof. Such certificate shall be recorded in the office of the register of deeds of the county wherein such corporation shall have its principal office, and said certificate and records and any certified copies of such records shall be received in all of the courts of this state as *prima facie* evidence that such corporation has been duly organized and created under the laws of the state of Minnesota.

Articles to be submitted to Attorney General before being recorded.

Certificate to be recorded with register of deeds.

SEC. 5. Upon the issuance of such certificate, the persons therein named shall be and become a corporation and authorized to transact the business of mutual insurance against loss or damage to property by hail, tornadoes, cyclones and hurricanes in such manner and upon such terms as in and by its by-laws may be provided. It shall have perpetual succession, sue and be sued, contract and be contracted with, implead, and be impleaded by its corporate name in any of the courts of this state, and shall possess the usual powers and be subject to the usual duties of corporations.

When to become a corporation and authorized to transact business.

SEC. 6. The general management of the business of said corporation shall be vested in directors, each of whom shall, during his term of office, be a policy holder in said corporation. Such directors shall be elected annually and shall hold their offices for one (1) year, and until their successors are elected and qualified. The directors shall choose from their own number a president, secretary and treasurer, whose respective terms of office shall be one (1) year, and whose duties and compensation shall be such as may be in the by-laws of the corporation provided.

Management of business in whom vested.

SEC. 7. Such corporation before commencing its business shall prepare and adopt by-laws which shall describe the duties of its officers, the manner, place and time of electing them, the directors, the scheme and manner of transacting its business, and such other rules and regulations as may be deemed essential for the government of the corporation and the management of its affairs. Such by-laws shall not be amended, changed, suspended or repealed except in the manner therein set forth, and a copy of the same and of any subsequent amendments thereto, or changes therein, shall be by the secretary forthwith filed with the commissioner of insurance, who shall safely keep the same in his office.

To adopt by-laws—what to contain.

Authorized to issue policies—when to expire.

SEC. 8. Such corporation is authorized to issue policies of insurance, signed by its president and secretary, agreeing to pay to the person assured thereby all loss and damage to the property insured, which he may sustain by hail, tornadoes, cyclones and hurricanes for a period of not more than five (5) years, and not exceeding in amount the sum specified in such policy.

Holders of policies to be members of the corporation.

SEC. 9. Every holder of a policy of such insurance shall be a member of the corporation. He shall have the right to participate in the election of directors, and shall be eligible to election to any office in such corporation; he shall be liable to the corporation for his *pro rata* share of all losses and damages by hail, tornadoes, cyclones and hurricanes sustained by any other member, and also for his *pro rata* share of the expenses of the management of the business of such corporation, and shall also be bound and subject to the by-laws thereof.

Terms and conditions to be specified in by-laws.

SEC. 10. The corporation shall, in and by its by-laws, provide for the manner in which such insurance shall be effected, and the terms and conditions thereof; the time and manner in which losses by it sustained under its policies of insurance shall be determined, proved, adjusted and paid; the time and manner in which assessments shall be made upon its members for their respective *pro rata* share of such losses, and the time, manner and place in which and the person to whom such assessments shall be paid. It shall also, in and by its by-laws, provide such other regulations, terms and conditions, as it may be necessary for effectively and fully carrying out its scheme of insurance, and the said by-laws in force at the time of the date of any policy of insurance, insured by the corporation, shall have the force and effect of law in the determination of all questions and claims arising under such policy between the holder thereof and the said corporation.

Withdrawal of members.

SEC. 11. The said corporation shall also, in and by its by-laws, provide the manner, terms and conditions upon which any member thereof may withdraw or be suspended or expelled therefrom.

Detailed statement to be made by the secretary annually.

SEC. 12. The secretary of the corporation shall prepare and submit to the members thereof, at each annual meeting a detailed statement of the condition of such corporation, and its transactions for the preceding year, showing the date and number of policies issued, to whom the same were issued, and the amounts respectively insured thereby, the number of assessments made during the year, and the amount actually paid in upon each assessment, respectively; the losses sustained during the year, and whether the same have been paid or adjusted, or remain unpaid or unadjusted, or are disputed; the number of members of the corporation, the number of new members received during such year, their names, and residence of members who have withdrawn or been suspended or expelled from the corpora-

tion during the year; the policies and respective numbers thereof which have been canceled during the year, and an itemized statement of the expenses of such corporation during the year, and of the amount and condition of its funds, and such other matters as may be of interest to the members. A copy of such annual statement shall, within thirty (30) days after such meeting, be filed with and preserved by the insurance commissioner.

Statement to be filed with commissioner.

SEC. 13. No corporation formed under this act shall continue for a longer period than thirty (30) years.

Term of existence.

SEC. 14. No corporation formed under this act shall insure any property outside of the state of Minnesota, nor any property other than detached dwellings and farm buildings, and their contents, and live stock while on the premises or running at large, and hay, grain and other farm products while growing or while in the shock, stack, bin, crib or granary upon such premises; nor shall it insure any property whatever in any incorporated city or village.

What property may be insured.

SEC. 15. All the books, papers and files of any such corporation shall at all times be open to the examination of any member thereof, or his agent or attorney; and any such member, agent or attorney shall at all times have the right to make such copies of such books, papers and files as he may wish to have.

Books to be kept open for examination of its members.

SEC. 16. The articles of association may be amended in any respect which might have been lawfully made a part of such original articles at any annual meeting of the members of the corporation, upon a vote of two-thirds ($\frac{2}{3}$) of the members present at such meeting.

Amendment to articles—how.

SEC. 17. This act shall take effect and be in force from and after its passage.

When act to take effect.

Approved March 2, 1885.

CHAPTER 187.

AN ACT TO APPROPRIATE FOR THE SUPPORT OF THE FIRE DEPARTMENT OF EACH CITY, TOWN, VILLAGE OR OTHER MUNICIPAL CORPORATION IN THE STATE OF MINNESOTA, A PART OF THE TAX PAID BY FIRE INSURANCE COMPANIES UPON PREMIUMS RECEIVED BY THEM IN ANY SUCH CITY, TOWN OR VILLAGE.

Be it enacted by the Legislature of the State of Minnesota :

SECTION 1. That section two hundred and ninety-eight (298) of title six (6) of chapter thirty-four (34) of general