

and such fine shall be paid into the state treasury and placed to the credit of the state dairy and food commissioner's fund.

Fines to be paid into state treasury.

SEC. 12. Any person violating any of the provisions of this act shall be deemed to be guilty of a misdemeanor, and upon conviction shall be punished by a fine of not less than twenty-five (25) dollars or more than one hundred (100) dollars and costs for each offense, or by imprisonment in the county jail for not less than thirty (30) days or more than ninety (90) days.

Penalty for violation.

SEC. 13. All acts and parts of acts inconsistent with this act are hereby repealed.

SEC. 14. This act shall take effect and be in force from and after its passage.

Approved April 20, 1891.

CHAPTER 13.

[S. F. No. 453.]

AN ACT AUTHORIZING THE FORMATION OF FARMERS' MUTUAL FIRE INSURANCE COMPANIES.

Farmers' fire insurance companies.

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

SECTION 1. That it shall be lawful for any number of persons, not less than twenty-five (25), residing in this state, who shall collectively own property of not less than twenty-five thousand (25,000) dollars, to form themselves into a company or corporation for mutual insurance against loss or damage by fire or lightning, which corporation shall have perpetual succession, may sue and be sued, contract or be contracted with, plead or be impleaded in any court in this state, and possess the usual powers and duties of corporations; *Provided, however,* That nothing herein contained shall be construed as amending, repealing or in anywise affecting the existing statutes for the incorporation or operation of county or township farmer fire insurance companies.

Powers of corporation.

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.

Articles of incorporation.

Second—The general nature of its business, and the place of its 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 commencement and the period of 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.

Where filed.

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.

To be approved by attorney general.

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 endorse 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 copy of such records shall be received in all 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.

Certificate of incorporation and record.

Become a corporation on issue of certificate.

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 fire or lightning in such manner and upon such terms as in and by its by-laws may be provided.

Management by directors.

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 office for one 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 year, and whose duties and compensation shall be such as may be in the by-laws of the corporation provided.

By-laws to be adopted and filed with insurance commissioner.

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.

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

Limit of insurance policies.

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 fire or lightning 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.

Policy holders members of corporation.

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 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 issued 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.

Certain provisions of by-laws.

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.

Withdrawal of members.

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 number of policies and to whom issued and the amounts insured thereby, the number of assessments made during the year, and the amount paid in upon each assessment; 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 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 mem-

Annual statement by secretary.

Statement to be filed with insurance commissioner.

bers. A copy of such annual statement shall, within thirty (30) days after such meeting, be filed with and preserved by the insurance commissioner.

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

Insurance to be within the state and only on farm property.

SEC. 14. No corporation formed under this act shall insure any property outside 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 in the stack, bin, crib or granary, and all farm machinery and utensils, including wagons and carriages, upon such premises; nor shall it insure any property whatever in any incorporated city or village, unless entirely detached and used for farm purposes only.

Books and papers to be open for examination.

SEC. 15. All the books, papers and files of 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.

Amendments to articles or by-laws.

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 of the members present at such meeting.

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

Approved April 22, 1891.

CHAPTER 14.

[S. F. No. 159.]

Town insurance companies.

AN ACT TO ALLOW TOWN INSURANCE COMPANIES TO ENLARGE TERRITORY AND THEIR OPERATIONS, AND TO LEGALIZE AMENDMENTS TO THEIR ARTICLES OF INCORPORATION EXTENDING THEIR TERRITORY.

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

May include adjoining towns.

SECTION 1. Any town insurance company heretofore or hereafter organized may, at any regular annual meeting of its members, by a majority vote of those present, amend its articles of association so as to include in its organization adjacent and adjoining towns without regard to the county in which such towns are situated, and not exceeding six towns in any county other than that in which such company has its place of business.