

CHAPTER 178.

H. F. No. 166.

An act to provide for the incorporation, reincorporation and regulation of life insurance companies on the stipulated premium plan.

Life insurance.

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

SECTION 1. Scope of Insurance.—Any seven or more persons, citizens of this state, may associate in accordance with the provisions of this act, and form an incorporated company for the following purposes: To make insurance upon the stipulated premium plan, either upon the stock or mutual principle, upon the lives of individuals, and every insurance appertaining thereto or connected therewith, and to grant and purchase annuities. Every corporation organized, reorganized or created under the provisions of this act shall continue in existence until dissolved by the judgment of a court of competent jurisdiction.

Scope of insurance.

SEC. 2. Form of Articles—Name of Company—Commissioners' Approval.—Such persons shall associate themselves together by articles of incorporation in writing, for the purpose of forming a life insurance company, which articles shall specify the name by which the corporation shall be known, whether a mutual or stock company, the place in which it is to be established or located, the amount of its capital stock, if any, and the general objects of the company. Any name not previously in use in any existing Minnesota company may be adopted, but such name shall clearly designate the object and purposes of the company. The insurance commissioner may reject any name or title when in his judgment it too closely resembles that of any existing company, or is likely to mislead the public.

Form of articles—name of company—commissioners' approval.

SEC. 3. Acknowledgment of Articles—Submitted to Attorney General—Certificate to Insurance Commissioner. The subscribers of said articles of incorporation shall acknowledge the same before some person empowered to take acknowledgment of deeds, and forward the same to the insurance commissioner, who shall in case he approves of the title of the proposed company, submit said articles of incorporation to the attorney general for examination, and if found by the attorney general to be in accordance with the provisions of this act, and not inconsistent with the constitution of this state, and of the United States, he shall certify the same back to the insurance commissioner with his approval endorsed thereon, who shall file the same in his office.

Acknowledgment of articles—submitted to attorney general—certificate to insurance commissioner.

Choosing
officers—
stock com-
panies open
books for
subscriptions
Mutual
companies
open books
for
application.

SEC. 4. Choosing Officers—Stock Companies Open Books for Subscriptions—Mutual Companies Open Books for Application.—The subscribers to said articles of incorporation shall choose from their number a president, a secretary, a treasurer and such number of directors, not less than five, as they may deem advisable, who shall continue in office until the first annual meeting of the stockholders, or of the insured if a mutual company, and until their successors are duly chosen and qualified as hereinafter provided. In case a stock company is to be organized, they shall open books for the subscription of stock in the company at such times and places as they shall deem convenient and proper, and shall keep the same open until the full amount specified in the articles of incorporation is subscribed. In case a mutual company is to be organized for any of the purposes mentioned in this act, the subscribers to the articles of incorporation shall open books to receive applications for insurance at convenient times and places, and keep the same open until applications for insurance have been obtained in sufficient numbers and amount to comply with the requirements of this act.

Capital stock
and its
investment.

SEC. 5. Capital Stock and Its Investment—Deposit With State Treasurer—Certificate to Do Business—Loans to Stockholders or Officer—Payment of Stock Subscriptions—Lien on Stock.—Stock companies organized under this act shall have not less than one hundred thousand dollars (\$100,000) of capital stock subscribed, fifty per cent of which shall be paid up and invested in bonds of the United States, or of this state, or certificates of deposit of any solvent bank or trust company, or in bonds and mortgages upon unincumbered improved real estate in the State of Minnesota worth at least double the sum loaned thereon (if buildings are considered as part of the value of such real estate, they must be, and be kept insured for the benefit of the mortgagee). twenty-five thousand dollars of which said securities shall be deposited with the state treasurer, and upon said deposit and satisfactory evidence to the insurance commissioner that the capital stock of at least one hundred thousand dollars (\$100,000) is all subscribed in good faith, and fifty per cent thereof paid in by the subscribers of said stock, and invested as herein prescribed, he shall issue to said company a certificate authorizing said company to do business. But no part of the fifty per cent aforesaid shall be loaned to any stockholder or officer of the company. The remainder of such stock shall be paid within two years of the time of the

subscription, in such sums and at such times as the directors or trustees of the company may direct, and the unpaid balance shall be secured by the notes of the stockholders of said company. The company shall have a lien upon all stock for any sum unpaid thereon.

SEC. 6. Mutual Companies—Deposit With State Treasurer.—Companies organized under this act upon the mutual plan shall, before issuing any policies, have actual applications on at least five hundred individual lives for an amount of not less than one thousand dollars each, a list of which applications, giving the name, age, residence, amount of insurance and annual premium of each applicant, shall be filed with the insurance commissioner, and a deposit made with the state treasurer of an amount equal to three-fifths of the first annual premium on said applications, and not less than twenty-five thousand dollars in securities, as required by the last preceding section, and on compliance with said provisions, the insurance commissioner shall issue to said company a certificate authorizing said company to do business.

Mutual companies—
deposit with
state treasurer.

SEC. 7. Corporate Power.—A corporation organized or doing business under the provisions of this act shall, by the name adopted by such corporation in law, be capable of suing or being sued, and may have power to make and enforce contracts in relation to the business of such corporation, may have and use a common seal, and may change or alter the same at pleasure; in the name of the corporation, association or society, or by a trustee chosen by their board of directors, shall in law be capable of taking, purchasing, holding and disposing of real and personal property for carrying into effect the purposes of their organization, and may, by their board of directors, trustees or managers, make by-laws and amendments thereto not inconsistent with the constitution and laws of this state, or of the United States, which by-laws shall define the manner of electing directors, trustees or managers, and officers of such corporation, and the qualifications and duties of the same, with terms of office, and if a mutual company, the qualifications and privileges of the members and policy holders thereof. Any such corporation shall also have all the powers, rights, privileges, immunities and franchises conferred by this act, together with all implied powers necessary or convenient for the execution and exercise thereof, and the ordinary and incidental powers of insurance corporations.

Corporate
power.

Annual
statement—
form of
publication.

SEC. 8. Annual Statement—Form of Publication.—The president, vice president and secretary or actuary, or a majority of the trustees or directors of each company organized under this act, shall, annually on the first day of January, or within sixty days thereafter, prepare under oath and deposit in the office of the insurance commissioner a statement of the condition of such company on the 31st day of December of the preceding year, showing:

1. First—Name and where located.

1. The names of the officers.
2. The amount of capital stock, if a stock company.
3. The amount of capital stock paid in, if a stock company.

Second—Assets.

1. The value of real estate owned by such company.
2. The amount of cash on hand.
3. The amount of cash deposited in bank or trust companies, giving names of bank or banks or trust companies.
4. The amount of unreported and deferred premiums.
5. The amount of stocks and bonds of the United States, and all other bonds, giving names and amounts, with the par and market value of each kind.
6. The amount of loans secured by first mortgage on real estate.
7. The amount of all other bonds and loans, and how secured, with the rate of interest.
8. The amount of loans secured by lien on policies in force.
9. The amount of notes given for unpaid stock, and how secured.

10. The amount of interest due and unpaid.

11. All other assets.

Third—Liabilities.

1. The amount of losses due and unpaid.
2. The amount of losses adjusted but not due.
3. The amount of losses unadjusted.
4. The amount of claims for losses resisted.
5. The amount of money borrowed.
6. The amount required to safely reinsure all outstanding risks, according to the American Experience Table of Mortality, and four per cent interest per annum, or the Actuaries' Combined Experience Table, with four per cent interest.

Fourth—Income during the year.

1. The amount of cash premiums received.

2. The amount of premium notes received.
3. The amount of interest received from all sources.
4. The amount received from all other sources.

Fifth—Expenditures during the year.

1. The amount paid on account of losses.
2. The amount of dividends paid to policy holders and to stockholders.
3. The amount of commissions and salaries paid to agents.
4. The amount paid to officers for salaries.
5. The amount paid for taxes.
6. The amount of all other payments and expenditures.

Sixth—Miscellaneous.

1. The greatest amount insured on any one life.
2. The amount deposited in other states and territories as security for policy holders therein, stating the amount in each state or territory.
3. The amount of premiums received in this state during the year.
4. The amount paid for losses in this state during the year.
5. The whole number of policies issued during the year, with the amount of insurance affected thereby and total amount of insurance at risk.

A summary of said statement shall be published in the English language at least three times in a daily or weekly newspaper of general circulation, printed and published in the English language, in either Hennepin or Ramsey county, in this state, and having a bona fide circulation of two thousand copies or more, or in the county where the state agency of such insurance company is located.

Publication
of state-
ment.

Provided, that any domestic insurance company may publish its annual statement in any legal paper published in the county where the principal office of such domestic company is located. A summary of statement for publication shall be made out by the insurance commissioner or under his direction, and an exact copy of the insurance commissioner's certificate of authority to do business in this state shall be published in connection with said summary of statement of each company doing business in this state. Proof of publication to wit: The printer's affidavit of the fact shall be filed with the insurance commissioner in all cases. In case such summary of statement is not published by the company or its agent and proof of publication filed as required within sixty days from the time of filing the statement with the insurance com-

missioner, it will be the duty of the insurance commissioner to have the same published as provided in this section and collect the cost of said publication from the company.

Insurance
commis-
sioner may
amend form.

SEC. 9. Insurance Commissioner May Amend Form.—The insurance commissioner is authorized to amend the form of annual statement by proposing such additional inquiries as he may deem necessary to elicit a full exhibit of the standing of companies organized or doing business under this act.

Valuation
of policies—
may employ
actuary—
deposit
of reserve
with state
treasurer.

SEC. 10. Valuation of Policies—May Employ Actuary—Deposit of Reserve With State Treasurer.—As soon as practicable after the filing of said annual statement of any company organized and doing business under the provisions of this act, in the office of the insurance commissioner, he shall proceed to ascertain the net cash value of each policy in force on the 31st day of December immediately preceding, upon the basis of the American experience table of mortality and four per cent interest, or combined experience table and same rate of interest. For the purpose of making such valuation the insurance commissioner may employ a competent actuary to do the same, who shall be paid by the company for which the services are rendered at the rate of not to exceed one cent per thousand dollars of insurance so valued; but nothing herein shall prevent any company from making said valuation herein contemplated, which may be received by the insurance commissioner upon such proof as he may determine. Upon ascertaining, in the manner above provided, the net cash value of all policies in force in any company organized or doing business under this act, the insurance commissioner shall notify said company of the amount thereof and within ninety days after the date of such notification the officers of such company shall deposit with the state treasurer for the security and benefit of its policy holders an amount of securities of the kind described in section twenty-three of this act, the value of which, together with the sum already deposited with said officer, shall not be less than the amount of such ascertained valuation of all policies in force minus loans upon or liens against such policies; but no company organized under this act shall be required to make any additional deposit until the cash value of the policies in force, as ascertained by the insurance commissioner, exceeds the amount deposited by said company under paragraphs five or six hereof. No such company shall be compelled to have or maintain with the state treasurer more than the sum of two hundred and fifty thousand

dollars, though a larger amount may be deposited, provided that the value of the securities, investments, property and holdings, including loans on policies of any company, shall always at least equal the amount of such ascertained valuation of all policies.

SEC. 11. Duty of State Treasurer to Receive and Safely Keep Securities.—It shall be the duty of the state treasurer to receive all moneys, bonds and securities offered or tendered to him by any insurance company in accordance with the provisions of this act, or for the purposes specified herein; and said state treasurer shall have charge of and safely keep the same when delivered to him, and shall not redeliver the same, or any part thereof, to the insurance company depositing them, except with the consent of the insurance commissioner and in accordance with the provisions of this act. Such state treasurer shall, upon the receipt by him of any moneys, bonds or securities from any insurance company, execute in duplicate a receipt stating in detail all moneys, bonds or securities then held by him or received by him from such company, and a minute description thereof. One copy of such receipt shall be delivered to the insurance commissioner and be by him filed, kept and retained in his office; the other copy of such receipt shall be delivered to the depositing company.

Duty of state treasurer to receive and safely keep securities.

SEC. 12. Certificate of Insurance Commissioner. On the receipt of the deposit and statement from any company as provided in the preceding section, which shall be renewed annually, the insurance commissioner shall issue a certificate setting forth the corporate name of the company, its principal office, that it has fully complied with the provisions of this act, stating the amount deposited and the amount of value of other assets and the net cash value of outstanding policies, and the table upon which same is computed, and that it is authorized to transact the business of life insurance; *provided*, that such certificate shall expire on the 30th day of May in the year following its issue.

Certificate of insurance commissioner.

SEC. 13. Failure of Company to Make Statement or Deposit.—Upon the failure of any company organized or doing business under this act to make the deposit or file the statement in the time stated herein, the insurance commissioner shall notify such company to issue no new policies in this state until there shall have been compliance with said requirement.

Failure of insurance company to make statement or deposit.

SEC. 14. Examination of Company by Insurance Commissioner.—The insurance commissioner may at

Examination
of company
by insurance
commis-
sioner.

any time make a personal examination of the books, papers and securities of any life insurance company organized or doing business under this act, or may authorize or empower any other suitable person to make such examination, and for the purpose of securing a full and true exhibit of its affairs, he, or the person selected by him to make such examination, shall have power to examine, under oath, relative to its business and management. No other person or persons whomsoever shall have any right to make or cause to be made any such examination except with the consent of the board of directors.

Impairment
of
company's
solvency—
scaling pol-
icy liabilities
—appoint-
ment of re-
ceiver—dis-
tribution of
assets.
Charter
annulled.

SEC. 15. Impairment of Company's Solvency—Scaling Policy Liabilities—Appointment of Receiver—Distribution of Assets—Charter Annulled and Dissolution Decreed—If the insurance commissioner shall at any time find from any report, examination or otherwise that the assets of any life insurance company organized or doing business under this act are less than its liabilities, including valuation of its policies as fixed by paragraph ten hereof and exclusive of its capital stock, he may notify it to cease the issue of new policies or the payment of dividends to stockholders of policyholders or both until the deficiency be made good; and if it appears to him that the assets of such company are less than three-fourths of such liabilities, exclusive of capital stock, he shall communicate the facts to the attorney general, who shall, if by him deemed advisable after a personal investigation of the matter and a hearing, of which both the insurance commissioner and the company shall have notice, and at which both may be present and shall have the right to be heard, at once apply to the district court of the county where the principal office of said company is located, or to a judge of the said court for a receiver for said company, and said court or judge shall forthwith issue a citation to such company to appear at a day and place to be named therein and answer to said application; and if upon the hearing of said application said court or judge shall find the assets of said company to be less than three-fourths of its liabilities as aforesaid, said court or judge may, if practicable, order it to scale its policy liabilities to an amount equal to or less than its assets, or he may provide for the reinsurance of its outstanding policies in some solvent company authorized to do business in this state. If neither of these methods is practicable said court or judge shall appoint some disinterested person or persons to be receiver or receivers of such company, and said court or judge may provide

the mode of proving said claims against such company, and may limit and extend the time for the presentation of such claims, and may make all necessary orders in reference to the delivery to and possession of such receiver of the assets and property of such company, and the sale and conveyance of the same by him, and may direct the application of the avails of such assets and property equitably in satisfaction of the claims proved against such company, and the payment of ascertained value of its *outstanding policies to policyholders, either in whole or in part*, and said court or judge shall annul the charter and decree the dissolution of such company and make all other orders and decrees necessary and proper in reference to *winding up the affairs of such company and the disposition of its property.*

SEC. 16. Change in Securities Deposited—Right to Withdraw Deposit.—Companies shall have the right at any time to change their securities on deposit by substituting for those withdrawn a like amount in other securities of the character provided for in this act.

Change in securities deposited.

Any company shall at all times have the right to withdraw securities on deposit in excess of the amount *heretofore specified.*

SEC. 17. Examination at Request of Company—Expense of Examination Paid by Company.—The insurance commissioner shall, at the request of any company doing business under the provisions of this act, make an examination of such company and shall furnish a *certificate of the results of such examination, showing all of its assets and how they are invested, with such other particulars as may be deemed necessary to show the character and condition of said company.* The necessary expense of such examination shall be paid by the company.

Examination at request of company.

SEC. 18. Suits Interfering With Business of Company.—No order, judgment or decree providing for an accounting or enjoining, restraining or interfering with the prosecution of the business of any insurance corporation, association or society organized or doing business under the provisions of this act, or appointing a temporary or permanent receiver thereof, shall be made or granted otherwise than upon the application of the attorney general upon his approval of a request in writing therefor by the insurance commissioner, and after notice to said company and full hearing by him, except in an action by a judgment creditor or in proceedings supplementary to execution.

Suits interfering with business of company.

Voluntary
dissolution.

SEC. 19. Voluntary Dissolution.—Notice to Insurance Commissioner.—If at any time any company organized under this act shows to the district court of the county where its principal offices are located, that it wishes to retire from business, that it has reinsured all of its policies, and that it has no unpaid liabilities of any character, such court shall, if it finds such facts are true, enter an order directing the state treasurer to surrender to said company all funds or securities theretofore deposited with him by such company. No such order shall be made until the insurance commissioner shall have been notified of the pendency of such application at least ten days before the time set for the hearing thereof, and until after a full hearing by said court.

Company
may collect
interest on
deposits.

SEC. 20. Company May Collect Interest on Deposits.—The state treasurer shall permit companies having on deposit with him stocks, bonds or other securities to collect the interest or income accruing on such deposits, delivering to their authorized agents, respectively, the coupons or other evidences of the interest as the same becomes due; but upon default by any company to deposit additional security as called for by the insurance commissioner, or pending any proceedings to close up or enjoin it, the state treasurer shall collect the interest as it becomes due and add the same to the securities in his hands belonging to such company.

Penalty for
doing busi-
ness with-
out license.

SEC. 21. Penalty for Doing Business Without License.—Any company organized or doing business under this act without a certificate as provided for in either section five or six or in section twelve of this act, shall forfeit one hundred dollars for every day it continues to write new business in this state without such certificate.

Suits to
recover
penalties.

SEC. 22. Suits to Recover Penalties.—Suits brought to recover any of the penalties provided for in this act shall be instituted in the name of the State of Minnesota on relation of the county attorney in the district court of the county in which the principal office of said company is located, under the direction and by the authority of the insurance commissioner. Said penalties, when recovered, shall be paid into the state treasury for the use of the school fund.

Investment
of funds.

SEC. 23. Investment of Funds.—The capital stock, funds and accumulations of any insurance company organized or reorganized under the provisions of this act shall be invested in bonds or treasury notes of the United States or state or national bank stock, or interest-bearing bonds of this state, or any other state of the United

States, or of any city, town or county of this state, or any other state of the United States having legal authority to issue the same, or in any interest or dividend-paying stock or bonds issued under the laws of this state or any other state of the United States, or in mortgages of unincumbered, improved real estate in this or any other state of the United States, worth at least twice the amount loaned thereon, exclusive of buildings, except when such buildings are insured and the policy duly assigned as additional security, or loaned on pledges of any of the securities above named; *provided*, always, that the current market value of such pledged securities shall be, at all times during the continuance of such loans, at least twenty per cent more than the sum loaned on them, and all such loans are subject to the power of the company to terminate the same in case of the depreciation of the securities below said limit; and *provided* that in all investments made upon mortgaged securities the evidence of the debt shall accompany the mortgage or deed of trust; *provided, further*, that none of the bonds, securities or investments above mentioned shall ever be bought contracted for or received at a greater price than their known market value; nor shall any such bonds, securities or investments be contracted for, bought or received when any interest has been defaulted and is unpaid thereon. Any such company may also make loans upon its own policies, but in the computation of the value of the assets of such company a loan upon a policy of such company shall never be valued at more than an amount equal to the net reserve against such policy.

SEC. 24. Right to Purchase, Hold and Convey Real Estate.—No company organized under this act shall be permitted to purchase, hold or convey real estate except for the purpose and in the manner herein set forth:

Right to purchase, hold and convey real estate.

1. For the erection and maintenance of buildings at least ample and adequate for the transaction of its own business.

2. Such as shall have been mortgaged to it in good faith by way of security for loans, for money due, or

3. Such as shall have been conveyed to it in satisfaction of debts previously contracted in the course of its dealings; or

4. Such as shall have been purchased at sales upon judgments, decrees or mortgages obtained or made for such debts, and no company incorporated as aforesaid shall purchase, hold or convey real estate in any other cases or for any other purpose.

When must
sell real
estate.

SEC. 25. When Must Sell Real Estate.—All real estate acquired as aforesaid, except such as is occupied by buildings used in whole or in part for the accommodation of such company in the transaction of its business, shall, except as hereafter provided, be sold and disposed of within ten years after such company shall have acquired title to the same. No such company shall hold such real estate for a longer period than that above mentioned unless the said company shall procure a certificate from the insurance commissioner setting forth that the interests of the company will suffer materially by a forced sale of such real estate, in which event the time for the sale may be extended to such time as the said insurance commissioner shall direct in said certificate.

Contracts
for re-
insurance.

SEC. 26. Contracts for Reinsurance.—Any corporation organized or doing business under this act may assume or reinsure the risks of any company, society or association engaged in the business of life insurance upon such terms as may be agreed upon by its board of directors, or a majority thereof, at a meeting regularly called and held. Any corporation organized or doing business under this act may transfer its risks to or reinsure them in any other corporation, association or society doing business on the stipulated premium or old line legal reserve plan, *provided* that the contract of transfer or reinsurance shall have been first submitted to and approved by the insurance commissioner of the State of Minnesota by a two-thirds vote of the stockholders or members present and voting in person or by proxy at any regular meeting of such corporation, or at a special meeting thereof called to consider the same, of which special meeting a written or printed notice shall have been mailed to each stockholder or member at least thirty days before the day fixed for such meeting. No such corporation organized or doing business under this act shall transfer its risks or assets, or any part thereof, to or reinsure its risks, or any part thereof, in any insurance corporation, association or society of any other state or country which is not at the time of such transfer or reinsurance authorized to do business in this state under the laws thereof; *provided, however*, that the foregoing declaration shall not prevent a company from reinsuring any fractional part of any individual policy in other solvent companies authorized to do business in this state by paying therefor agreed premiums in annual, semi-annual or quarterly installments. In case of the reinsurance of mutual companies all the assets of the re-

insured company shall be turned over to the reinsuring company.

SEC. 27.—Right to Change Beneficiary.—The insured in any such corporation shall have the right at any time, with the consent of such corporation, except when and while the beneficiary is the wife of the insured, to make a change in his payee or payees, or beneficiary or beneficiaries, without requiring the consent of such payee or beneficiary, *provided* such policy has not been assigned as security for a debt or other legal consideration; but no change of beneficiary or assignment of policy shall be valid unless approved by the company.

Right to change beneficiary.

SEC. 28. Existing Companies May Reincorporate or Reorganize Hereunder—Certificate of Reincorporation.—Any corporation, association or society, organized under the laws of this state for the purpose of doing the business of life insurance upon any plan and now transacting such business, may at any time be reincorporated or reorganized either as a stock or mutual company under the provisions of this act either its then existing name or under any other name approved by the insurance commissioner.

May reincorporate or reorganize hereunder.

To so reincorporate or reorganize it shall be necessary:

1. That a resolution be passed by the board of directors, managers or trustees authorizing and directing such reinsurance or reincorporation.

Conditions.

2. That such resolution be adopted by a two-thirds vote of the members or majority of the stock represented and present and voting at any regular meeting or at any special meeting called for that purpose, whereof a written or printed notice shall have been duly given not less than thirty days previously.

3. That a declaration be signed and acknowledged by two officers and by a majority of the remaining directors, showing:

(a) The passage and adoption of such resolution as above prescribed.

(b) That there are sufficient lives insured to comply with the provisions of section six (6) of this act.

(c) All matters required to be set forth in articles of incorporation as provided by section two (2) of this act.

And in addition thereto if the reorganization or reincorporation be upon the stock plan and upon the basis of a stock company the provisions of section five of this act must be complied with. When such a resolution shall have been so passed and adopted as above provided by any corporation, society, or association now existing under the laws of the State of Minnesota, and such a declaration shall have been made

If stock company.

If mutual
company.

and filed with the insurance commissioner in the case of reincorporation or reorganization as a mutual company, and when in addition thereto the provisions of section five have been complied with in the case of reincorporation or reorganization as a stock company, the insurance commissioner shall issue a certificate of reincorporation or reorganization under the seal of his office and attach thereto copies of all copies so filed with him and authorizing the company to do the business of life insurance upon the plan and basis set forth in such papers; and such corporation, association or society shall thereupon be deemed to be and shall be a company organized under the provisions of this act as a mutual company if it has complied only with the provisions of subdivisions one, two and three of this section; and if, in addition it has complied with the provisions of section five of this act, it shall be deemed to be and shall be a company fully organized as a stock company under the provisions of this act; and in either case it shall have all the corporate rights and privileges of and be subject to like duties and liabilities as a similar company originally incorporated hereunder.

Any such company having already on deposit with the state treasurer securities of the quality herein required may use the same in whole or in part for making the deposits herein provided for.

The amount paid in for capital stock in such a case and the unpaid notes of subscribers and all securities therefor shall be liable for the payments of all debts and liabilities and claims of policyholders existing prior to such reorganization or reincorporation.

Effect of re-
incorpora-
tion.

SEC. 29. Effect of Reincorporation.—Such reincorporation or reorganization shall not affect or change the corporate identity of such company, nor shall it affect in any manner its corporate rights or liabilities, all of which shall, after such reincorporation or reorganization, remain vested in or continue against the said company as reincorporated or reorganized as they would if there had been no reincorporation or reorganization, except that an assessment company reorganizing under this law may:

1. By resolution of its board of directors and with the consent of the assured, waive any provision contained in its policies or certificates of membership providing for assessing members or reserving the right to call for any additional premiums, usually known as the emergency or safety clause; and

2. May charge against any such policy, as a lien or in commutation thereof, a sum equal to the reserve by the Combined Experience Table of Mortality and (4 per

cent) four per cent interest, which should be held to the credit of the policy had the same been originally issued under the provisions of this act; which lien shall be treated as a loan by said company to the insured upon said policy;

Provided, That all such policies shall thereafter be charged with and pay a minimum net premium of at least the net premium indicated by the American Experience Table of Mortality and four per cent interest or the Combined Experience Table of Mortality with the same rate of interest for a policy of the same kind and class.

Provided, that notice of such action shall be given to each policyholder affected thereby.

SEC. 30. Companies Exempted from Provisions of Act.—Nothing in this act shall be construed as affecting or governing domestic life insurance companies, associations or societies now doing business on the assessment plan, or domestic companies, associations or societies organized or doing business under any other law of this state; but they may reincorporate and avail themselves of the provisions of this act by complying with conditions as hereinbefore provided in this act.

Companies
exempted
from provisions
of act

SEC. 31. Consolidations of Companies.—Any life insurance company, society or association organized in this state, may by resolution of its board of directors, trustees or managers, if a stock company, or by a two-thirds vote of its members represented at a regular meeting of its members, or at a special meeting called to consider the same, thirty days' notice in writing having been previously given to each member of the purpose of such meeting, if a mutual company, consolidate with any company, society or association which has complied with the provisions of this act (common articles of incorporation having been previously adopted in the manner herein provided for the adoption of articles of incorporation, or by amendment to articles previously adopted in the manner prescribed in section thirty-four of this act.) Such consolidated companies may assume the name of either of the consolidating companies or a new name mutually agreed upon and approved by the insurance commissioner and fixed in said common articles of incorporation. In the event of such consolidation the new company shall become vested with all of the assets of the consolidated companies and shall be liable for the payment of all their obligations.

Consolidations
of
companies.

SEC. 32. Foreign Companies.—Nothing in this act shall be construed as affecting life insurance companies organized under the laws of any other state or count[r]y,

Foreign
companies.

and companies organized or doing business under the provisions of this act shall be subject only to its provisions;

Provided, That any solvent foreign life insurance company possessing assets in excess of one hundred thousand dollars invested in accordance with the provisions of section twenty-three of this act, and which shall have deposited with the state treasurer of this state or with the proper officer of some other state authorized to receive the same, securities invested as aforesaid to the extent, amount and value required to be deposited with the state treasurer by a domestic company doing life insurance business in this state under this act, of which deposit the certificate of such proper officer shall be evidence, and which shall have deposited with the insurance commissioner a certified copy of its articles of incorporation or charter and a statement of its financial condition and business in such form and detail as he may require, signed and sworn to by its president and secretary, may by paying the fees and charges herein designated and by filing such documents and statements as are required of domestic companies operating under the provisions hereof, and by filing a power of attorney or certificate authorizing the insurance commissioner to accept service of process issued by any of the courts of this state for and in behalf of said company so long as a policy issued by said company is in force in said state, be licensed to transact the business of life insurance as if incorporated under the provisions hereof.

Before granting certificate of authority to an insurance company to issue policies or make contracts of insurance in the State of Minnesota the insurance commissioner shall be satisfied by such examination and evidence that he sees fit to make and require, that such company is otherwise qualified under the laws of this state to transact business therein.

Fees of insurance commissioner.

SEC. 33. Fees of Insurance Commissioner.—From domestic life insurance companies organized under this act the insurance commissioner shall charge and collect the following fees:

For filing articles of incorporation, thirty dollars; for issuing a certificate of authority to do business, one dollar; for filing each annual statement, twenty dollars; for each copy of any document or statement on file in his office, twenty cents a folio and one dollar for certifying the same. From any foreign life insurance company seeking admission to, or authorized to transact business in, this state the insurance commissioner shall charge and collect the following fees:

For filing articles of incorporation, thirty dollars; for filing financial statement, with application for admission, twenty dollars; for filing each annual statement after admission, twenty dollars; for issuing certificate of authority and each annual renewal thereof, one dollar; for each agent of such company licensed to transact business in this state, one dollar; for each copy of any document on file in his office, twenty cents a folio, and one dollar for certifying the same.

SEC. 34. Amendments to Articles.—Any insurance company organized or doing business under this act may at any annual meeting of its stockholders or members, or at any special meeting after thirty days' notice to all stockholders or members thereof of such proposed amendment, by a majority vote of those represented or present, amend its articles of incorporation in any respect not in violation of the laws of this state or of the United States.

Amendments
to articles.

Such company shall cause a certificate of such amendment to be sworn to by the president or vice president and secretary or assistant secretary and thereupon such certificate shall be filed the same as original articles; upon such filing, such amendment (and upon the approval thereof as in the case of original articles) shall become a part of such original articles and supercede conflicting provisions thereof.

SEC. 35. Stipulated Premium Companies Defined.—Any insurance company complying with the provisions of this act shall be deemed to be a stipulated premium life insurance company, and no company, association or society failing to comply with the provisions of this act, shall on all original policies issued in future by any company operating under this act other than policies assumed by it through reinsurance charge for premium consideration for each policy, a sum which shall not be less than the minimum net premium required by the standard of reserve stipulated in this, together with a reasonable charge added thereto for expenses of conducting the business, and such corporation shall be permitted to use the words "stipulated premiums" in any policy, application or any of its literature, subject to forfeiture of its certificate of authority.

Stipulated
premium
companies
defined.

SEC. 36. Moneys Exempted From Execution.—The money to be paid, provided or rendered by any corporation, association or society authorized to do business under this act, on account of the death of any policyholder, shall, when the beneficiary is the wife or minor child of the insured, be exempt from execution, and shall not be

Moneys ex-
empted from
execution.

liable to be seized, taken or appropriated by any legal or equity process to pay any debt or liability of such policyholder.

Laws reciprocal.

SEC. 37. Laws Reciprocal.—Whenever by the laws, custom or ruling of any other state or nation any taxes, fines, penalties, licenses, fees, requirements, conditions, specification or restriction are imposed upon companies of this state organized or operating under this act the same or similar charge or performance shall be imposed by the insurance commissioner upon any company of such state or nation seeking admission to or operating in this state under this act.

Annual meetings.

SEC. 38. Annual Meetings.—There shall be held an annual meeting of the members or stockholders of any company organized or reorganized under the provisions of this act, of which annual meeting the members or stockholders shall have notice at least thirty days in advance, either by way of a written or printed notice, which may accompany other written or printed matter, or by notices appearing in bold type upon the policy issued to each member or stockholder.

SEC. 39. This act shall supersede all provisions of any existing law in conflict herewith.

This act shall be in effect from and after the date of its passage.

Approved April 9, 1901.

H. F. No. 179.

CHAPTER 179.

Amendment.
Contagious
diseases
among
domestic
animals.

An act to amend chapter 233 of the General Laws of 1897 entitled "An act to prevent the spread of contagious and infectious diseases among domestic animals in this state."

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

SECTION 1. That section one (1) of chapter two hundred and thirty-three (233) of the General Laws of the State of Minnesota for the year 1897, entitled "An act to prevent the spread of contagious and infectious diseases among domestic animals in this state," be and the same is hereby amended to read as follows:

State and local health boards authorized.

Section 1. Authority is hereby given to the state board of health and to the several local boards of health of the towns, villages and cities of this state, to take all steps they may severally deem necessary to control, suppress and eradicate any and all contagious and infectious dis-