

permit to catch and take, for the purposes of breeding and domesticating only, any such animals within certain described territory and within a described portion of the closed season and upon such applicant giving a bond to the State of Minnesota in the sum of five hundred (\$500) dollars, with two or more sureties, to be approved by said commission, conditioned, among other things, that said applicant will only within the time prescribed and within the territory mentioned in the application, take and catch such animals for the purpose of breeding and domesticating, and that such applicant will not catch, take or use such animals for any other purposes, and will not sell or otherwise dispose of the same, or of the carcasses, fur and hides thereof, the said commission may issue to such applicant a permit to so catch and take such animals. At the end of the time stated in such permit the person named therein shall forthwith report to the game and fish commission the kind and number of such animals so caught and taken and receive a permit for their retention and domestication, as in this act provided.

Any person, who under the authority of this act, shall have in his lawful possession, any such fur bearing animals, shall be deemed to have a property right therein and to be the owner thereof and any person who shall enter the enclosure where such animals are confined, or who shall catch, take or molest such animals when in such enclosure, shall be subject to the same liabilities, penalties and punishments as though the animals in question were ordinary domestic animals the subject of property rights in this state.

Any such animals or their furs or hides may be sold or shipped within or without the state upon receipt of written permission to do so from the commission.

Approved March 27, 1913.

CHAPTER 122—S. F. No. 413.

An Act to provide for the incorporation and regulation of employers' mutual liability insurance associations.

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

Section 1. Mutual employers' liability association may be formed.—Twenty or more persons may form an incorporated mutual employers' liability insurance association for the purpose of insuring themselves and such other persons, firms or corporations as may become subscribers to the association against liability for compensation payable under the terms of the workmen's compensation law and for the purpose of insuring against

loss or damage by the sickness, bodily injury or death by accident of any person employed by or for whose injury or death the insured is responsible.

Sec. 2. Form of certificate.—They shall subscribe and acknowledge a certificate specifying:

1. The name, the general nature of its business, and the principal place of transacting the same. Such name shall distinguish it from all other corporations, domestic or foreign, authorized to do business in this state, and shall end with "company," "corporation," "association," or the word "incorporated."

2. The period of its duration.

3. The names and places of residence of the incorporators.

4. In what board its management shall be vested, and the names and addresses of those composing the board until the first election, a majority of whom shall always be residents of the state.

5. The highest amount of indebtedness or liability to which the corporation shall at any time be subject.

6. The territory within which the association may do business.

It may also contain any other lawful provisions defining and regulating the powers or business of the corporation, its officers, directors, trustees and members.

Sec. 3. To be approved by insurance commissioner and filed with secretary of state.—The certificate of incorporation of every such corporation shall be submitted to the commissioner of insurance for his approval and, if he approves the same, one copy thereof shall be filed with the secretary of state of this state and one copy with said commissioner of insurance. After such record such certificate shall be filed for record with the register of deeds of the county of the principal place of business as specified in said certificate.

Sec. 4. 5,000 policies to be subscribed for before commencing business.—Such association shall not begin to issue policies until a list of the subscribers, with the number of employees of each which, in the aggregate must number in the aggregate, not less than five thousand, together with such other information as the commissioner of insurance may require, shall have been filed at the insurance department, nor until the president and secretary of the association shall have certified under oath that every subscription in the list so filed is genuine and made with an agreement of all the subscribers that they will take the policies subscribed for within thirty (30) days of the granting of a license by the commissioners of insurance.

Sec. 5. Insurance commissioner to investigate.—Upon the filing of the certificate provided for in the preceding section,

the commissioner of insurance shall make such investigations as he may deem proper, and if his findings warrant it, grant a license to the association to issue policies.

Sec. 6. Duration 30 years.—Corporations may be formed under this section for not to exceed thirty years in the first instance.

Sec. 7. To frame by-laws.—Such association shall have the power to make by-laws for the government of its officers and the conduct of its affairs, and the same to alter and amend; and adopt a common seal.

Sec. 8. Calling of annual meeting—Business to be transacted.—The annual meeting for the election of directors shall be held at such time in the month of January as the by-laws of the association may direct. Of the time and place of said meeting at least thirty (30) days' previous written or printed notice shall be given to the subscribers, or such notice may be given by publication not less than three times in at least two daily or weekly newspapers, published in the city or county wherein the association has its principal office, and in the legal periodical, if any, designated by the rules of court of the proper county for the publication of legal notices. Subscribers who, during the preceding calendar year, have paid into the treasury of the association, premiums amounting to more than one-half of the total premiums received by it during that year, shall constitute a quorum. At such annual meeting the subscribers shall elect, by ballot, from their own number, not less than five directors, a majority of whom shall be residents of this state to serve for at least one year and until their successors are duly chosen; provided, however, that such association may provide in its by-laws for the division of its board of directors into two, three or four classes, and for the election thereof, at its annual meetings, in such manner that the members of one class only shall retire and their successors be chosen each year. Vacancies may be filled by election by the board until the next annual meeting. In the choice of directors and in all meetings of the association, each subscriber shall be entitled to one vote for every one hundred dollars or any fraction thereof paid by him in premiums into the treasury of the association during the preceding calendar year. Subscribers may vote by proxy, and the record of all votes shall be made by the secretary, and shall show whether the same were cast in person or by proxy and shall be evidence of all such elections. Not less than three directors shall constitute a quorum. The directors shall annually choose, by ballot, a president, who shall be a member of the board; a secretary; a treasurer, who may also be either the president or secretary; and such other officers as the by-laws may provide; and they shall fix the salaries of the president and secretary, as well as

the salaries or compensation of such other officers and agents as the by-laws prescribe. Vacancies in any office may be filled by the directors or by the subscribers, as the by-laws shall prescribe.

Sec. 9. Issuance of policies.—Policies of insurance issued by any such association may be made either with or without the seal thereof, and they shall be signed by the president, or such other officers as may be designated by the directors for that purpose, and attested by the secretary.

Sec. 10. When issuing of policies is to cease temporarily.—If at any time the number of subscribers falls below twenty, or the number of the subscribers' employees within the state falls below five thousand, no further policies shall be issued until the total number of subscribers amounts to not less than twenty, whose employees within the state are not less than five thousand.

Sec. 11. Power of board of directors.—The board of directors shall be entitled to inspect the plant, work-room, shop, farm or premises of any subscriber, and for such purpose to appoint inspectors, who shall have free access to all such premises during the regular working hours, and the board of directors shall likewise from time to time be entitled to examine by their auditor or other agent, the books, records and payrolls of any subscribers, for the purpose of determining the amount of premium chargeable to such subscriber.

The board of directors shall make reasonable rules and regulations for the prevention of injuries upon the premises of subscribers; and they may refuse to insure or may terminate the insurance of any subscriber who refuses to permit such examinations or disregards such rules or regulations, and forfeit all premiums previously paid by him, but such termination of the insurance of any subscriber shall not release him from liability for the payment of assessments then or thereafter made by the board of directors to make up deficiencies existing at the termination of his insurance.

Sec. 12. Premium to be collected.—Every such company shall charge and collect on each policy a premium, in cash, equal to one year's premium on the policy issued and shall also provide in its by-laws and specify in its policies the maximum contingent mutual liability of its members for the payment of losses and expenses not provided for by its cash fund. The contingent liability of a member shall not be less than a sum equal to and in addition to one annual premium nor more than a sum equal to five times the amount of such annual premium, or, in case of a policy written for less than one year, the contingent lia-

bility shall not exceed the amount of premium written in the policy. The total amount of liability of the policy-holders shall be plainly and legibly stated upon each policy, as follows:

"The maximum contingent liability of the policy-holder under this policy is \$——."

Sec. 13. **Board of directors to establish rates.**—The board of directors shall determine the amount of premiums which the subscribers of the association shall pay for their insurance, in accordance with the nature of the business in which such subscribers are engaged, and the probable risk of injury to their employees under existing conditions, and they shall fix premiums at such amounts as in their judgment shall be sufficient to enable the association to pay to its subscribers all sums which may become due and payable to their employees under the provisions of law, and also the expenses of conducting the business of the association. In fixing the premium payable by any subscriber, the board of directors may take into account the condition of the plant, work-room, shop, farm or premises of such subscriber in respect to the safety of those employed therein, as shown by the report of any inspector appointed by such board, and they may from time to time change the amount of premiums payable by any of the subscribers as circumstances may require, and the condition of the plant, work-room, shop, farm or premises of such subscriber in respect to the safety of their employees may justify, and they may increase the premiums of any subscriber neglecting to provide safety devices required by law, or disobeying the rules or regulations made by the board of directors in accordance with the provisions of Section 11 of this act. No policy of insurance issued to any subscriber shall be effective until he shall have paid in cash the premium so fixed and determined.

Sec. 14. **Classification of subscribers and premium rates.**—The board of directors may divide the subscribers into groups in accordance with the nature of their business and the probable risk of injury therein. In such case they shall fix all premiums, make all assessments, and determine and pay all dividends by and for each group in accordance with the experience thereof, but all funds of the association and the contingent liability of all subscribers shall be available for the payment of any claim against the association; provided, however, that (as between the association and its subscribers), until the whole of the contingent liability of the members of any group shall be exhausted, the general funds of the association and the contingent liability of the members of other groups shall not be available for the payment of losses and expenses incurred by such group in excess of the earned premiums paid by the members thereof.

Whenever the liabilities, including unearned premiums and such other reserves as are or may be required by law and the insurance commissioner, are in excess of the admitted assets computed on the basis allowed for its annual statement, it shall make an assessment upon its policy-holders, said assessment to be based upon the amount of one annual premium as written in the policy and not to exceed the amount of five annual premiums.

If it becomes necessary to levy the assessment as provided by this section, no policies shall be issued until the admitted assets of the association are in excess of its liabilities.

Sec. 15. Statement to be filed with insurance department.—A statement of any proposed premium, assessment, dividend or distribution of subscribers into groups shall be filed with the insurance department.

Sec. 16. When officer is guilty of perjury.—If any officer of the association shall falsely make oath to any certificate required to be filed with the commissioner of insurance, he shall be guilty of perjury.

Sec. 17. Withdrawal of subscriber.—Any subscriber of the association who has complied with all its rules and regulations, may withdraw therefrom by written notice to that effect, sent by such subscriber by registered mail to the association, and such withdrawal shall become effective on the first day of the month immediately following the tenth day after the receipt of such notice, but such withdrawal shall not release such subscriber from liability for the payment of assessments thereafter made by the board of directors to make up deficiencies existing at the date of his withdrawal, and such subscriber shall be entitled to his share of any dividends earned at the date of his withdrawal.

Sec. 18. Investment of funds.—Such association shall invest and keep invested all its funds of every description, excepting such cash as may be required in the transaction of its business, in accordance with the laws of this state or relating to the investment of funds of domestic insurance companies.

Sec. 19. Not to hold real estate.—No such association shall purchase, hold or convey real estate except as provided by Section 1615, Revised Laws 1905.

Sec. 20. When admitted and fees to be paid.—Any mutual employers' liability insurance association of another state upon compliance with all laws governing such corporations in general, the provisions of Section 1705, Revised Laws of 1905, and the provisions of this act, may be admitted to transact business in this state. Such association shall pay to the department of insurance the fees prescribed by Section 9, Chapter 386, Laws of 1911.

Whenever the contracts of insurance issued by such association shall cover in the aggregate less than five thousand em-

ployes, the assured shall forthwith notify the commissioner of insurance, of such fact and if, at the expiration of six months from said notice, the aggregate number of employes covered by said contracts of insurance shall be less than five thousand, the commissioner of insurance shall revoke the license of such association and shall petition the district court for the appointment of a receiver for the purpose of winding up its affairs.

Sec. 21. This act shall take effect and be in force from and after its passage.

Approved March 27, 1913.

CHAPTER 123—S. F. No. 416.

An Act authorizing county boards in certain counties to grant aid for the erection and construction of a hospital.

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

Section 1. **County board may appropriate \$5,000 towards hospital.**—In any county in this state in which there is no county hospital, the county board of such county is hereby authorized and empowered to appropriate and pay from the general fund of said county as aid in the erection, construction and maintenance in such county of a hospital for the treatment of sick, diseased and injured persons, a sum not exceeding five thousand dollars (\$5,000), and preference shall always be given in the admission to such hospital of such patients as are in whole or in part public charges, and are sent thereto by the county board.

Approved March 27, 1913.

CHAPTER 124—S. F. No. 550.

An Act to amend Section 3022, Chapter 58, Revised Laws of 1905, relating to authorized securities.

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

Section 1. **Investment of funds in certain cases.**—That subdivision 3 of Section 3022, Revised Laws, 1905, be and it is hereby amended so as to read as follows:

“Section 3022. In the bonds of any county, city, town, village, school, drainage, or other district created pursuant to law for public purposes in Minnesota, or in any warrant, order, or interest bearing obligation issued by this state, or by any city, city board, town, or county therein, *provided that the net indebtedness of any such municipality or district, as net indebted-*