

CHAPTER 463—H. F. No. 993.

An Act to legalize certain proceedings heretofore taken for drainage of land in certain cases.

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

Section 1. **Certain drainage proceedings legalized.**—Where the county board of any county in this state has heretofore in pursuance to Chapter 230 of the General Laws of 1905 and acts amendatory thereof and supplementary thereto located and established, or attempted to locate and establish any drainage ditch in any county of this state, and it has been determined by resolution adopted by said board that such ditch will be a public utility and will promote and be conducive to the public health and that the benefits to be derived from the construction thereof are greater than the total cost, including damages awarded, and where such ditch has been actually constructed or the county has entered into a contract or contracts for the construction thereof and such contracts have been partially performed, and the auditor of any such county has executed and filed in the office of the register of deeds the tabulated statement as provided for by law, making assessments for the cost of the location, establishment and construction of such ditch within such county against the land, corporations and roads benefited thereby, and where no appeals have been taken therefrom or from any of such proceedings, or if such appeals have been taken, that the same have been determined before the passage of this act, then the said proceedings from their inception to the time of the letting of said contract and all subsequent proceedings and all assessments or liens so levied or attempted to be assessed or levied and the payments of the actual cost of such work, including the damages awarded, and all proceedings of every kind and description had thereunder, including the service of all notices provided for by law, are hereby legalized and declared to be valid and in full force and effect to the same extent as though all or any of such proceedings had been conducted and had as required by law.

Approved April 23, 1913.

CHAPTER 464—H. F. No. 1031.

An Act authorizing and regulating certain classes of indemnity contracts empowering corporations to make such contracts for fixing certain fees, and the penalty for violation thereof.

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

Section 1. **Reciprocal or inter-insurance contracts.**—Individuals, partnerships and corporations of this state, hereby

designated subscribers, are hereby authorized to exchange reciprocal or inter-insurance contracts with each other, or with individuals, partnerships and corporations of other states and countries, providing indemnity among themselves from any loss which may be insured against under other provisions of the laws, excepting life and marine insurance.

Sec. 2. How executed.--Such contracts may be executed by an attorney, agent or other representative, herein designated attorney, duly authorized and acting for such subscribers.

Sec. 3. What must be filed with insurance commissioner.--Such subscribers so contracting among themselves shall through their attorney file with the insurance commissioner of this state a declaration verified by the oath of such attorney, setting forth:

(a) The name or title of the office at which such subscribers propose to exchange such indemnity contracts. Said name or title shall not be so similar to any other name or title previously adopted by a similar organization or by any insurance corporation or association as in the opinion of the insurance commissioner is calculated to result in confusion or deception.

(b) The kind or kinds of insurance to be effected or exchanged.

(c) A copy of the form of policy contract or agreement under or by which such insurance is to be effected or exchanged.

(d) A copy of the form of power of attorney or other authority of such attorney under which such insurance is to be effected or exchanged.

(e) The location of the office or offices from which such contracts or agreements are to be issued.

(f) That applications have been made for indemnity upon at least one hundred separate risks aggregating not less than one and one-half million (\$1,500,000.00) dollars, as represented by executed contracts or bona fide applications, to become concurrently effective, or, in case of liability or compensation insurance, covering a total pay roll of not less than one and one-half million (\$1,500,000.00) dollars.

(g) That there is on deposit with such attorney and available for the payment of losses a sum of not less than twenty-five thousand (\$25,000.00) dollars.

Provided, however, that in case of liability or compensation insurance all subscribers shall be engaged in the same class of business and have an annual pay roll in Minnesota of not less than four million (\$4,000,000.00) dollars and a deposit with such attorney and available for the payment of losses of not less than one hundred thousand (\$100,000.00) dollars.

Sec. 4. Insurance commissioner to act as agent for service.—Concurrently with the filing of the declaration provided for by the terms of Section 3 hereof, the attorney shall file with the in-

insurance commissioner an instrument in writing executed by him for said subscribers, conditioned that upon the issuance of certificate of authority provided for in Section Ten hereof, service of process may be had upon the insurance commissioner in all suits in this state arising out of such policies, contracts or agreements, which service shall be valid and binding upon all subscribers exchanging at any time reciprocal or inter-insurance contracts through such attorney. Three copies of such process shall be served and the insurance commissioner shall file one copy, forward one copy to said attorney and return one copy with his admission of service.

Sec. 5. Maximum amount of indemnity.—There shall be filed with the insurance commissioner of this state by such attorney a statement under the oath of such attorney showing the maximum amount of indemnity upon any single risk and such attorney shall, whenever and as often as the same shall be required, file with the insurance commissioner a statement verified by his oath to the effect that he has examined the commercial rating of such subscribers as shown by the reference book of a commercial agency having at least one hundred thousand subscribers, and that from such examination or from other information in his possession it appears that no subscriber has assumed on any single risk an amount greater than ten per cent of the net worth of such subscriber.

Sec. 6. Reserve fund.—There shall at all times be maintained as a reserve a sum in cash or convertible securities equal to fifty per cent of the net annual deposits collected and credited to the accounts of the subscribers on policies having one year or less to run and pro rata on those for longer periods. Net annual deposits shall be construed to mean the advance payments of subscribers after deducting therefrom the amounts specifically provided in the subscribers' agreements, for expenses. Said sum shall at no time be less than twenty-five thousand (\$25,000.00) dollars, and if at any time fifty per cent of the deposits so collected and credited shall not equal that amount, then the subscribers, or their attorney for them, shall make up any deficiency.

Sec. 7. Annual report.—Such attorney shall make a report to the insurance commissioner for each calendar year, on the first day of March, showing the financial condition of affairs at the office where such contracts are issued and shall furnish such additional information and reports as may be required.

Provided, however, that such attorney shall not be required to furnish the names and addresses of any subscribers nor the loss ratio.

The business affairs and assets of such organizations shall be subject to examination by the insurance commissioner.

Sec. 8. Exchange of contracts.—Any corporation now or hereafter organized under the laws of this state shall, in addition to the rights, powers and franchises specified in its articles of incorporation have full power and authority to exchange insurance contracts of the kind and character herein mentioned. The right to exchange such contracts is hereby declared to be incidental to the purposes for which such corporations are organized and as much granted as the rights and powers expressly conferred.

Sec. 9. Misdemeanor for failure to comply.—Any attorney who shall, except for the purpose of applying for certificate of authority as herein provided, exchange any contracts of indemnity of the kind and character specified in this act, or directly or indirectly solicit or negotiate any applications for same without first complying with the foregoing provisions shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be subjected to a fine of not less than one hundred (\$100.00) dollars nor more than one thousand (\$1000.00) dollars.

Sec. 10. Certificate of authority to be secured.—Each attorney by or through whom are issued any policies of or contracts for indemnity of the character referred to in this act shall procure from the insurance commissioner annually a certificate of authority stating that all the requirements of this act have been complied with, and upon such compliance and the payment of the fees required by this act the insurance commissioner shall issue such certificate. In case of a breach of any of the conditions imposed by the provisions of this act the insurance commissioner may revoke the certificate of authority issued hereunder.

Sec. 11. Annual license fee of 2 per cent.—Such attorney, in lieu of all taxes, state, county and municipal, shall pay to the state with the filing of each annual report, as an annual license fee 2 per cent of the gross premiums or deposits for the preceding calendar year, deducting all amounts returned to subscribers or credited to their accounts; and he shall pay a filing fee of \$2.00.

Sec. 12. Exchange of indemnity contracts.—Except as herein provided no law of this state shall apply to the exchange of such indemnity contracts.

Approved April 23, 1913.

CHAPTER 465—H. F. No. 1190.

An Act relating to the powers and duties of boards in common school districts containing ten, or more, townships.

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

Section 1. When common school district boards shall exercise same right as independent school district boards.—The school