

CHAPTER 123.

AN ACT TO AUTHORIZE AND REGULATE WITHIN THIS STATE
THE BUSINESS OF INSURANCE, OTHER THAN LIFE, FIRE
AND MARINE.*Be it enacted by the Legislature of the State of Minnesota:*

SECTION 1. That no company or association formed under the laws of this State, or any other State or foreign government, shall directly or indirectly transact the business of insurance in this State, other than that provided for by law in the departments of life, fire and marine insurance, without receiving a certificate of authority from the Commissioner of Insurance.

Certificate of insurance commissioner required.

SEC. 2. No such company or association shall be authorized by the Commissioner of Insurance to transact business herein unless possessed of an actual paid up capital of at least one hundred thousand dollars (\$100,000), and a deposit of at least one hundred thousand dollars (\$100,000), with the State Treasurer of this State, or with the chief financial officer or Commissioner of Insurance of the State where such company or association is organized, duly assigned to such officer in trust for the benefit of all policy holders. Said deposit shall consist of bonds or stock of the United States or of the State where such company or association is organized, or of bonds and mortgages on improved unincumbered real estate, worth double the sum loaned thereon. The market value of such deposited securities shall at all times be equal to one hundred thousand dollars (\$100,000).

Amount of capital and deposit required.

SEC. 3. Such companies or associations shall be required to comply with the laws of this State regulating the business of life insurance in respect to the appointment of an attorney to receive process, making annual statements of financial condition, the payment of taxes, and with all the other requirements as far as applicable. The Commissioner of Insurance shall compute the reserve fund to be held by such companies or associations by taking fifty (50) per centum of the premiums received upon all risks not expired at time of making such computation. Whenever the capital of any company or association authorized under this act shall become impaired to the extent of fifteen (15) per cent., or shall otherwise become unsafe, it shall be the duty of the Commissioner of Insurance to cancel the authority of such company or association.

Laws of this state must be complied with.

Reserve fund.

SEC. 4. The words "company" or "association," as used in this act, shall be construed to mean any company, association, corporation, partnerships, individual, or association of individuals doing or attempting to do business herein under

any charter, compact or agreement or statute of this State or any other State involving a guaranty, contract or pledge of insurance other than life, fire or marine under-writing.

SEC. 5. It shall not be lawful for any person to act within this State as agent or otherwise in receiving or procuring applications or in any manner, directly or indirectly, to aid in transacting the business of insurance permitted by this act, without procuring from the Commissioner of Insurance a certificate of authority. Such authority shall designate the name of the person authorized and the name of the company or association for which he is to act as agent, and the special kind of insurance to be solicited.

What certificate shall designate.

Penalties for violation of this act.

SEC. 6. Every violation of any of the provisions of this act shall subject the party violating to a penalty of two hundred and fifty dollars (\$250) for each violation, which shall be sued for and recovered in the name of the State of Minnesota, by the County Attorney of the county in which the party violating shall reside, upon complaint of any individual, and the penalty when recovered shall be paid into the treasury of such county. In case of non-payment of such penalty the party so offending shall be liable to imprisonment for a period not exceeding six (6) months, in the discretion of any court having cognizance hereof. It shall be the duty of the Commissioner of Insurance to notify the County Attorney of the proper county, in writing, of any offense under this act which may come to his knowledge, and it shall thereupon become the duty of such County Attorney to at once cause proceedings to be taken for the punishment thereof. In case any County Attorney shall willfully neglect or refuse to perform his duty under the provisions of this act, he shall be liable to a penalty of one hundred dollars (\$100) for each and every offense; and the Governor may, in case of any such neglect or refusal, appoint some other person or persons to perform the duties prescribed by this act, who shall, upon being so appointed, have like powers and duties under this act as County Attorney. And in case of such appointment of any person in place of the County Attorney to prosecute for violation of this act in any county, the County Commissioners shall allow and pay to such Prosecuting Attorney a reasonable compensation for all services performed by him as such prosecutor.

Commissioner of insurance shall notify county attorney of any offense.

SEC. 7. This act shall not be held to apply to hail insurance companies organized under the laws of this State, nor to mutual aid associations, benefit societies or co-operative life insurance societies wherever organized.

SEC. 8. This act shall take effect and be in force from and after its passage.

Approved March 5, 1881.