

provided, shall be null and void. *Provided, however,* That such contract may be enforced by and in favor of any person who entered into said contract in good faith and without notice that said company's right to do business in this state had ceased. It shall be unlawful for any such railway company, after having taken a transfer of any case whereby, under the provisions of this act, its right to do business in this state shall have terminated, to run any locomotive, car or train of cars on any railway in this state, and it shall be liable for all damages done by it in the performance of said unlawful act to any person or property.

Contracts may become null and void—when.

SEC. 9. Whenever any case shall be transferred by any foreign incorporation the clerk of the court from which the transfer is taken shall immediately make a certified copy of the pleadings therein, and of the petition for removal, and of the order of removal, if any, and a certificate of the date of the filing of the petition, and of the date of the order of removal, if any, and transmit the same to the railroad commissioner of this state, if the removal is taken by a railway or telegraph company, and to the commissioner of insurance, if the removal is taken by an insurance company, and to the secretary of the state, if the removal is taken by any other company. Said officer shall preserve said papers in a convenient form for reference.

Duty of clerk of the court in certain cases.

SEC. 10. Nothing in this act shall be construed to deny to any foreign corporation any right of removal or lay any penalty upon any removal taken by it which it might have taken had it been a domestic corporation.

Right of removal not denied.

SEC. 11. This act shall take effect and be in force from and after its passage.

When act to take effect.

Approved March 9, 1885.

CHAPTER 184.

AN ACT TO PROVIDE FOR INCORPORATION AND REGULATION OF CO-OPERATIVE OR ASSESSMENT LIFE, ENDOWMENT AND CASUALTY INSURANCE ASSOCIATIONS AND SOCIETIES.

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

SECTION 1. Any number of persons, not less than nine (9), residents of the State of Minnesota, hereafter desiring to form an organization, fraternal or non-fraternal, for the

Minimum number of persons necessary to form an organization.

purpose of transacting the business of life, casualty or endowment, or both life, casualty and endowment insurance upon the co-operative or assessment plan, may associate themselves together, and effect such organization as hereinafter prescribed, and not otherwise.

To file declaration of intention—what declaration to contain—to be duly acknowledged—to be filed in the office of the insurance commissioner.

SEC. 2. Such persons shall file in the office of the insurance commissioner a declaration, signed by each of the corporators, and duly acknowledged before an officer authorized under the laws of this state to take the acknowledgment of deeds, and shall therein express their intention to form an organization for the transaction of life, endowment or casualty insurance, upon the co-operative or assessment plan, which said declaration shall also contain the proposed name of the association, corporation or society (which shall not be the same as, nor too closely resemble the name of, any other corporation organized under the laws of this state), the place where the principal office for the transaction of its business shall be located, which shall be at some place within this state; the mode and manner in which the corporate powers granted by this act are to be exercised; the mode and manner of electing the trustees, directors or representatives, or other persons, by whatsoever name or title designated, who are to have and exercise the general control and management of its affairs and all its funds; which election shall be in such manner as shall be prescribed by the by-laws of such corporation, association or society, or in case of fraternal societies, by representatives chosen by subordinate lodges, councils or bodies, who shall be members of such society, and a majority of them citizens of this state.

Declaration to be referred to and examined by attorney general.

SEC. 3. Upon the filing in the office of said commissioner of the declaration required by the next preceding section, together with the sworn statement by two (2) of said corporators, that at least fifty (50) persons, eligible under the proposed laws of such corporation, association or society to membership therein have made application in writing for such membership, the same shall be referred to and examined by the attorney general of the state, and if by him found conformable to the requirements of this act, and not inconsistent with the constitution and laws of the United States and of this state, he shall certify accordingly, and return the same with his certificate of such conformity to said commissioner; and thereupon said commissioner shall cause the said declaration, with the certificate of the attorney general, to be recorded in a book to be kept for that purpose, and shall deliver to such corporation, association or society a certified copy of the papers so filed and recorded in his office, and of the certificate of the said attorney general, together with the license of said commissioner to such corporation, association or society to engage in the business proposed in said declaration; and upon such certified copy and license being filed in the office of the

If in conformity to law to issue certificate accordingly.

When to be constituted a body politic.

clerk of the county where the association is to be located, the said corporators, and those that may thereafter become associated with them or their successors, shall be constituted a body politic and corporate, and lawfully entitled to commence its business; and any copy of any paper referred to in this act, certified by said commissioner, may be used in evidence with the same effect as the original.

SEC. 4. The corporators, trustees, directors, members or representatives, as the case may be, of any association, corporation or society organized under this act, shall have power to make such by-laws, not inconsistent with the constitution or laws of this state or of the United States, as may be deemed necessary for the government of its officers and the conduct of its affairs, and the same, when necessary to alter and amend; and they and their successors may have a common seal, and may change and alter the same at their pleasure.

Power to make by-laws—have a common seal.

SEC. 5. Any corporation, association or society which issues any certificate, policy or other evidence of interest to, or makes any promise or agreement with, its members, whereby upon the decease of a member, or the maturity of a certificate, any money or other benefit, charity, relief or aid is to be paid, provided or rendered by such corporation, association or society, to the legal representatives of such member, or to the beneficiary designated by such member, which money, benefit, charity, relief, or aid are derived from voluntary donations or from admission fees, dues and assessments, or any of them, collected or to be collected from the members thereof or members of a class therein, and interest and accretions thereon or rebates from amounts payable to beneficiaries or heirs; and wherein the paying, providing or rendering of such money or other benefit, charity, relief or aid is conditioned upon the same being realized in the manner aforesaid; and wherein the money or other benefit, charity, relief or aid so realized is applied to the uses and purposes of such corporation, association or society, and the expenses of the management and prosecution of its business, shall be deemed to be engaged in the business of life or endowment insurance upon the co-operative or assessment plan, and shall be subject only to the provisions of this act.

When organization deemed to be engaged in the business of life or endowment insurance upon the co-operative plan.

SEC. 6. Any corporation, association or society which issues any certificate, policy or other evidence of interest to, or makes any promise or agreement with, its members whereby upon the sickness or other physical disability of a member, or by reason of having attained a certain age, any money or other benefit, charity, relief or aid is to be paid, provided or rendered by such corporation, association or society, to such member or beneficiary designated by him, which money, benefit, charity, relief or aid are derived from voluntary donations or from admission fees, dues and

When organization deemed to be engaged in the business of casualty insurance upon the co-operative plan.

assessments, or any of them, collected or to be collected from the members thereof, or members of a class therein, and interest and accretions thereon; and wherein the paying, rendering or providing of such money or other benefit, charity, relief or aid is conditioned upon the same being realized in the manner aforesaid, and wherein the money or other benefit, charity, relief or aid is applied to the uses and purposes of such corporation, association or society, and the expenses of the management and prosecution of its business; shall be deemed to be engaged in the business of casualty insurance upon the co-operative or assessment plan, and shall be subject only to the provisions of this act.

SEC. 7. Every such corporation, association or society doing a life, endowment or casualty insurance business upon the co-operative or assessment plan, as herein defined, shall, on or before the first (1st) day of February of each year, make and file with the commissioner of insurance of this state a report of its affairs and its operations during the year ending on the thirty-first (31st) day of December immediately preceding. Such reports shall be upon blank forms provided by such commissioner, and shall be verified under oath by the duly authorized officers of such corporations, associations or societies, and shall be published, or the substance thereof, in his annual report, by such commissioner, and shall contain answers to the following questions:

First—Number of certificates or policies issued during the year or members admitted.

Second—Amount of indemnity effected thereby.

Third—Number of death losses.

Fourth—Number of death losses paid.

Fifth—The amount received from each assessment in each class for the year.

Sixth—Total amount paid policy holders, beneficiaries, legal representatives or heirs.

Seventh—Number of death claims for which assessments have been made.

Eighth—Number of death claims compromised or resisted, and brief statement of reason.

Ninth—Does society charge annual dues?

Tenth—How much on each one thousand (1000) dollars annually, or per capita, as the case may be?

Eleventh—Total amount received and the disposition thereof.

Twelfth—Does the society use moneys received for payment of death claims to pay expenses of society, in whole or in part; and if so, state the amount so used?

Thirteenth—State total amount of salaries paid to officers.

Fourteenth—State total amount (including commissions) paid to agents.

Fifteenth—State total amount paid medical examiners and employes.

When to make annual report—blank forms to be furnished by insurance commissioner.

Interrogations to be answered.

Sixteenth—State total expenses of management of business.

Seventeenth—Does society guarantee fixed amount to be paid regardless of amount from assessments, dues, admission fees and donations?

Eighteenth—If so, state amount guaranteed and the security for such guarantee.

Nineteenth—Has the society a reserve fund?

Twentieth—If so, how is it created, and for what purpose, the amount thereof, and how invested?

Twenty-first—Has the society more than one class or division?

Twenty-second—If so, how many, and the amount of indemnity in each.

Twenty-third—Number of members in each class or division.

Twenty-fourth—If organized under the laws of this state, state under what law, and at what time?

Twenty-fifth—If organized under the laws of any other state, state such fact, and the date of organization.

Twenty-sixth—Number of policies or memberships lapsed during the year.

Twenty-seventh—Number in force at beginning and end of year in each class or division, if more than one.

Twenty-eighth—Aggregate maximum and minimum and average age of membership in each class or division in the society.

Twenty-ninth—The assets applicable to life, endowment or casualty insurance other than reserve fund, and how invested.

Thirtieth—Amount received from all sources for life, endowment or casualty insurance, and the disposition thereof.

No deposit of securities with the commissioner shall be required from such corporation, association or society. Any corporation, association or society refusing or neglecting to make such report, or to make payment of any of the fees mentioned in section fifteen (15) of this act, may, upon the suit of said commissioner, be enjoined by the district court from carrying on any business until such report and payment shall be made, and until the cost of such action be paid.

Penalty for non-compliance.

SEC. 8. Every such corporation, association or society doing business within this state, except such as have already made such designation, and every such association hereafter commencing business within this state shall, before doing business therein, designate some one place within this state as the principal office in this state of such association, and some person residing in the same city, village or town where such office is located, as a person upon whom service of legal proceedings and papers may be made, as upon such association, such designation to be made by an instrument under the hand of the president and secretary

To designate principal place of business, and where service of legal proceedings may be made.

Duty of commissioner in case of service of legal process.

Notice of change in office to be filed with commissioner.

When foreign organizations may be examined.

or other duly authorized officers of such association, filed in the office of the superintendent of the insurance department of this state; and any legal process affecting such association, corporation or society served on the commissioner of insurance of this State shall have the same effect as if personally served on the association or its authorized attorney. Whenever service of any such legal process is made on the commissioner of insurance he shall at once notify by mail the association, corporation or society affected thereby. If the person designated as above provided shall die or remove from such place, another person shall be appointed in his place within thirty (30) days, and such attorney, or location of principal office, may, at the option of such association, corporation or society, be changed at any time. Notice of any change of the office of such association, or any new or different designation of a person upon whom service may be made as above provided, shall, under the hand of such president and secretary or other officer, be filed with the commissioner aforesaid within thirty (30) days after such change or new designation is made. Upon failure to comply with any of the provisions of this section within thirty (30) days after written notice by said commissioner of such default and requiring such compliance, such association shall cease to do business in this state until compliance therewith; and any officer, agent or representative of such association who shall collect any moneys or issue any certificate carrying on said business during such failure, after the expiration of such notice to comply with those requirements, shall be liable to punishment as hereinafter provided.

SEC. 9. No such corporation, association or society, organized under the laws of any other state or territory of the United States, or the District of Columbia, or foreign countries, except such secret fraternal societies having subordinate lodges or councils as are now authorized to transact business within this state, with the consent of such commissioner, shall transact business therein until it has received from the commissioner of insurance a certificate of authority, a record of the issue of which shall be filed in the office of said commissioner. It shall be the duty of said commissioner annually to issue to such foreign corporation, association or society, renewal certificates of authority to continue its business if its annual report is satisfactory to him, which certificate shall be filed in the office of the clerk of the county where its principal office is located in this state, within sixty (60) days after filing such annual report; and no such foreign corporation, association or society, excepting such secret fraternal societies having subordinate lodges or councils as are now authorized as aforesaid, shall be authorized to continue such business after the expiration of such (60) sixty days, unless such certificate shall have been so received and filed. Whenever the insur-

ance commissioner shall have reason to doubt the solvency of any such foreign corporation or association, he may, at the expense of such corporation or association, cause an examination of its books and papers to be made; and if, in his judgment, such examination establishes the fact that such corporation or association is not financially sound, or is conducting its business fraudulently, or if it should fail to make the statement required by this act, he may revoke the authority of such corporation or association, and prohibit it from doing business in this state until it can again comply with the provisions of this act; and it shall be the duty of said commissioner to refuse such certificate of authority, or the renewal thereof, to any such foreign corporation, association or society, when, by the laws of the state or territory under which the same is organized, corporations, associations or societies of this state, doing a life, endowment or casualty business upon the co-operative or assessment plan, are not permitted to transact such business in such other state or territory. When any other state or territory shall impose any obligation upon such corporation, association or society of this state, or their agents transacting business in such other state or territory, the like obligations are hereby imposed on similar corporations, associations or societies of such other state or territory and their agents or representatives transacting business in this state; and such corporation, association or society of such other state or territory, and their agents or representatives, shall pay all licenses, fees or penalties to and make deposits with the state treasurer. *Provided*, That nothing herein contained shall be construed to authorize any such foreign corporations, association or society, except such fraternal secret societies having subordinate lodges or councils now authorized, as aforesaid, to transact such business within this state, without obtaining the consent of such commissioner thereto and the renewal certificate of authority aforesaid.

Commissioner may refuse to issue renewal certificate—when.

Consent to transact business must be obtained.

SEC. 10. Every charter created by or under this act for the purposes aforesaid shall continue until revoked by the judgment of a court of competent jurisdiction. *Provided*, always, That charters hereafter to be filed in the insurance department shall be considered as abandoned and become inoperative and void, unless the corporators perfect their organization thereunder, and issue certificates of membership within the period of one (1) year from the date of filing such charter.

Charter to continue until revoked.

SEC. 11. Any existing corporation, association or society transacting business of life, endowment or casualty insurance, upon the co-operative or assessment plan, and incorporated under the laws of this state, may reincorporate under the provisions of this act by filing with said commissioner the declaration required by the second (2d) section of this act, signed and duly acknowledged by a majority of its

How corporation may be re-incorporated.

board of directors, trustees or managers, and the certificate of conformity from the attorney general of the State; whereupon the said commissioner shall record and deliver to such corporation, association or society a certified copy of such declaration, and such certificate, together with his license to transact business; and upon the same being filed in the office of the clerk of the county wherein the principal office for the transaction of its business is located, the same shall thereupon be deemed to be incorporated under the provisions of this act. *Provided, always,* That nothing in this act contained shall be construed as requiring or making it obligatory upon any such existing corporation, association or society to reincorporate under the provisions of this act; and any such existing corporation, association or society may continue to exercise all rights, powers and privileges not inconsistent with this act, pursuant to its articles of association or incorporation, the same as if reincorporated under this act.

Not compulsory to reincorporate.

Books and papers subject to inspection—by whom.

SEC. 12. All such corporations, associations or societies, together with their books, papers and vouchers, shall be subject to visitation and inspection by the commissioner of insurance, or such person or persons as he may designate. If said commissioner shall be of the opinion that such corporation, association or society shall be restrained from doing business, he shall report the same, with the facts upon which such opinion is based, to the attorney general, whose duty it shall be, if he shall be of the opinion that the facts warrant such report, to apply to the district court, at a special term thereof, within the judicial district in which the principal place of business of such corporation, association or society within this state is located, for an order requiring the officers of such corporation, association or society to show cause, at a reasonable time and place within such district, why such corporation, association or society should not be restrained from continuing to transact business, with power to the said court to adjourn the hearing thereof from time to time, not exceeding, however, sixty (60) days in the aggregate. Such corporations, associations or societies shall be entitled to be heard, and to a trial by jury, of the facts stated in said report, and to examine papers and witnesses under oath in the usual mode of trials of actions; and the verdict of said jury shall be conclusive upon the propriety of restraining such continuance of business upon such report and opinion. And judgment shall be entered upon such verdict in the same manner as in ordinary actions.

Right to a trial by jury—judgment how obtained.

Commissioner authorized to make inquiries as to transactions of organizations—officers to promptly reply.

SEC. 13. The commissioner of insurance is hereby authorized and empowered to address any inquiries to any of the corporations, associations or societies referred to in this act, in relation to its doings or condition, or any other matter connected with its transactions relative to the business contemplated by this act; and it shall be the duty of the officers of the corporation, association or society so

addressed to promptly reply in writing to all such inquiries, under the oath of its president and secretary, or other officers, if required.

SEC. 14. There shall be paid to the commissioner of insurance by every corporation, association, society, person or persons, to whom this act shall apply, the following fees: For filing and recording the declaration herein required, the sum of ten (10) dollars; for filing the annual statement, the sum of ten (10) dollars; for each certificate of authority and certified copy thereof, the sum of (1) one dollar; for making copy of paper filed in his office, the sum of twenty (20) cents per folio of one hundred (100) words, and for affixing the seal of said office to such copy and certifying the same, one (1) dollar; for expenses of examination by the department, the commissioner shall be paid the necessary and actual outlay for railroad fare and hotel bills, not to exceed, for any organization, the sum of fifty (50) dollars in any year. All fees collected by the commissioner shall be returned to the state by him, the same as now required by law in the case of life companies.

Commissioner's fees—disposition of same.

SEC. 15. All corporations, companies, societies, organizations or associations of this or any other state or country transacting the business of life, endowment or casualty insurance on the co-operative or assessment plan, as referred to in the fifth (5th) and sixth (6th) sections of this act, are hereby made subject to all the provisions of this act, and all corporations, companies, societies, organizations or associations organized and having its principal office within this state shall hold, within the county in which the principal office is located in this state, a stated annual meeting of their members or policy holders, or representatives of local boards or subordinate bodies, in such manner and subject to such regulations, restrictions and provisions as the constitution or by-laws of the same may provide. In cases of secret or fraternal societies having a grand or supreme body, such meeting of the grand or supreme body may be at such time and place as shall be designated by such grand or supreme body. At such meeting a full and specific report of all receipts and expenditures of the preceding year, or since the last meeting, as the case may be, shall be submitted. Notice of each such meeting shall be given in such manner as the by-laws may direct, but not less than five (5) days before such meeting, to each director, member and policy holder, except that in lieu thereof such notice may be given to a subordinate body of a society having a grand or supreme body, or to a local board subordinate to the association. The books and papers of such association shall, at all reasonable times, be opened for examination by members or their representatives. All associations, societies, companies, corporations or organizations now transacting, or hereafter desiring to transact the business of life, endowment or casualty insurance in this state, upon any other

All organizations to comply with the provisions of this act.

plan than that defined in and by sections five (5) and six (6) of this act, shall comply with all the provisions of the general life and health insurance laws.

Notice of assessment—what to contain.

SEC. 16. Each notice of assessment made by any corporation, association or society transacting the business of life, endowment or casualty insurance, upon the co-operative or assessment plan, made upon its members or any of them, shall truly state the cause and purpose of such assessment.

Benefits exempt from execution.

SEC. 17. The money or other benefit, charity, relief or aid to be paid, provided or rendered by any corporation, association or society authorized to do business under this act, shall be exempt from execution, and shall not be liable to be seized, taken or appropriated by any legal or equitable process to pay any debt or liability of a member.

Penalty for non-compliance with the provisions of this act.

SEC. 18. Any officer or agent of any corporation, association or society, whose duty it is to make any report or perform any act as provided in this act, who shall neglect or refuse to comply with any of the provisions of this act in respect thereto, or who shall make in any report or statement aforesaid any intentionally false or fraudulent statement, and any person who shall act within this state as agent, solicitor or collector for any such corporation, association or society, which shall have failed, neglected or refused to comply with or violated any of the provisions of this act, or shall have failed or neglected to procure from said commissioner the certificate of authority to transact business in this state, as required by law, shall, for such acts committed during such period of default, be guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine of not less than one hundred (100) dollars, nor more than five hundred (500) dollars, or by imprisonment in a county jail of not less than ten (10) days, nor more than one (1) year, or both such fine and imprisonment, in the discretion of the court.

What organizations exempt from the provisions of this act.

SEC. 19. Nothing in this act contained shall be construed to require any society or any subordinate lodge or body of any secret or fraternal or industrial society now organized in this state paying only sick benefits not exceeding two hundred and fifty (250) dollars in the aggregate to any one person in any one year, or a funeral benefit or relief to those dependent on a member, not exceeding three hundred and fifty (350) dollars, to make any report thereof as herein contemplated; nor to require the subordinate lodges or councils or other bodies, by whatever name known, of fraternal or secret, or industrial societies, to make and file reports with the commissioner of insurance, when the money, benefit, charity, relief or aid, is payable by the grand or supreme body of the same, and is derived from assessments upon such subordinates or their members; but such reports shall be made and filed by such grand or supreme body. Nor shall anything in this act prevent the creation of a reserve fund by any corporation, association or society trans-

acting the business of life, endowment or casualty insurance, upon the co-operative or assessment plan, which funds or its accretions, or both, are to be used for the payment of assessments or death losses, or for benefits. Nothing in this act contained shall be construed to affect the grand or subordinate lodges of the Independent Order of Odd Fellows as they now exist, nor to any grand order [or] subordinate lodge of Free and Accepted Masons.

SEC. 20. Any solicitor, agent or examining physician who shall knowingly or willfully make any false or fraudulent statement or representation in or with reference to any application for membership, or for the purpose of obtaining any money or benefit in any corporation, association or society transacting the business of life, endowment or casualty insurance upon the co-operative or assessment plan in this state, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished as provided in section nineteen (19) of this act.

Punishment for false statements with reference to applicants for membership—how.

SEC. 21. At the stated meeting for the election of officers, trustees, directors or managers, a majority of the persons entitled to vote at such meeting shall not be necessary to a quorum; nor shall failure to elect on the day designated for such meeting dissolve any corporation under this act; but it shall be lawful to hold such election on a subsequent day on the same notice as required for the stated meeting. No newspaper publication of a by-law regulating any election shall be necessary to its validity.

Quorum for election of officers.

SEC. 22. This act shall take effect on the first (1st) day of April, one thousand eight hundred and eighty-five (1885).

When act to take effect.

Approved March 9, 1885.

CHAPTER 185.

AN ACT TO AUTHORIZE ALL INSURANCE COMPANIES DOING GENERAL FIRE OR MARINE INSURANCE BUSINESS UNDER THE LAWS OF MINNESOTA. TO INSURE AGAINST HAIL, TORNADO, CYCLONES AND WIND STORMS.

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

SECTION 1. That any insurance company, chartered and doing a general fire or marine insurance business, either by virtue of any special charter of the territory or state of Minnesota, or under the general laws of such territory or state, or which may hereafter be incorporated for such pur-

Policies may be issued to cover loss against hail storms, cyclones, etc.—by whom.