

CHAPTER 135.

[S. F. No. 419]

AN ACT REGULATING AND CONFIRMING THE FORMATION OF REAL ESTATE TITLE INSURANCE COMPANIES.

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

SECTION 1. Any ten (10) or more persons may associate themselves together in the manner prescribed by title twenty-one (21), of chapter thirty-four (34) of "general statutes one thousand eight hundred and seventy-eight (1878)" with a capital of not less than five hundred thousand (500,000) dollars, nor more than one million (1,000,000) dollars, for the purpose of examining titles to real estate and of guaranteeing or insuring owners of real estate and others interested therein or having liens or encumbrances thereon against loss by reason of defective titles, encumbrances or otherwise, and corporations so established shall have the same powers and privileges and be subject to the same duties, liabilities and restrictions as other corporations established under the said title, save that the liability of said corporations upon policies of insurance shall not be construed as constituting part of the liability thereof within the meaning of said act; nor shall such corporations be subject to the laws specially relating to insurance corporations, except as heretofore provided.

Real estate
title insurance
companies.

SEC. 2. Every such corporation shall set apart a sum not less than two-fifth (2-5) of the amount of its capital stock, but in no case less than two hundred thousand (200,000) dollars, as a guaranty fund, and shall invest the same in the kinds of securities prescribed by section three (3) of chapter three (3) of the general laws of Minnesota for one thousand eight hundred and eighty-five (1885), and no corporation shall issue any guaranty or policy of insurance until such sum has been so set apart and invested. Such guaranty fund shall be kept and applied for the security and payment of losses and expenses which may be incurred by reason of the guaranty or insurance made as aforesaid, and shall not be subject to other liabilities of the corporation so long as any such guaranty or insurance is outstanding. In case an increase in the amount of its capital stock shall be made by any such corporation, two-fifths (2-5) of such increase of the capital stock shall be set apart and added to the guaranty fund thereof and kept and invested as aforesaid. Whenever on account of loss or otherwise the amount of the guaranty fund of such corporation shall fall below such sum as is so required to be set apart and

Guaranty fund.
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invested by this act, no further guaranty or insurance shall be issued until the deficiency below the amount so required has been supplied.

Shall file statement with insurance commissioner.

SEC. 3. Every such corporation shall on or before the first day of March in each year, file in the office of the insurance commissioner a statement of the amount of its policies outstanding on the preceding thirty-first (31st) day of December, made out in such form as said insurance commissioner shall direct, and which statement shall also specify the amount and kinds of securities and investments held by said corporation; such statement shall be signed and sworn to by the president, vice-president or treasurer, and by one director of such corporation, and such corporations shall be taxed in like manner as domestic insurance companies are. The insurance commissioner shall have the same power and authority to visit and examine all corporations established hereunder and to compel a compliance with the provisions of law governing them as he may by law exercise in relation to domestic insurance companies.

Shall obtain commissioners' certificate of authority.

SEC. 4. No corporation which shall be organized under this act, shall make any contract or issue any policy of guaranty or insurance until it has filed with the insurance commissioner a copy of the record of its certificate of organization in the office of the secretary of state, and obtained from the insurance commissioner his certificate that it has complied with the laws applicable to it and is duly authorized to do business.

Legalizing former corporations.

SEC. 5. Any corporation heretofore organized under the laws of this state for the purpose among others of carrying on, and which has begun, or actually has entered upon the preparation for, the business of real estate title insurance, and has heretofore filed its articles of incorporation in the office of the secretary of state of Minnesota, is hereby in all respects legalized and confirmed and shall be entitled to all the privileges and franchises in this act provided.

When act to take effect.

SEC. 6. This act shall take effect and be in force from and after its passage.

Approved February 28, 1887.