

CHAPTER 208.

[S. F. No. 406.]

AN ACT AUTHORIZING THE FORMATION OF LOCAL FIRE INSURANCE COMPANIES IN GOODHUE COUNTY, MINNESOTA.

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

SECTION 1. That any number of persons not less than nine (9) being residents in Goodhue county, may form a corporation or association for the purpose of doing business in the county of Goodhue as a fire insurance company for the purpose of insuring upon the plan of mutual insurance buildings, dwellinghouses, barns and graneries, stores, mills, manufactories, elevators and the contents and products thereof, and said company, so formed, shall possess the usual powers, and be subject to the liability of corporations.

SEC. 2. Such persons shall organize by adopting and signing articles of incorporation which shall be recorded in the office of the register of deeds of the county of Goodhue, where the principal place of business is to be, and in the office of the secretary of state, and be published, as required by law in case of other incorporations.

SEC. 3. Such articles of incorporation shall contain:

First—The name of the incorporation.

Second—The general nature of the business to be transacted.

Third—The principal place of business of such company.

Fourth—The time of commencement and period of continuance of such corporation.

Fifth—The general terms and conditions of membership.

Sixth—The names and residence of the persons forming the corporation.

Seventh—The designation of the officers in whom the management of the corporation shall be vested. The times and manner of electing the same, and the names of the first board of directors.

Eighth—Such other provisions or articles not inconsistent with law as the members forming such corporation shall deem proper or necessary to define the manner in which such corporate power shall be exercised.

SEC. 4. The provisions of section four (4) of chapter thirty-four (34) of general statutes one thousand eight hundred and seventy-eight (1878) shall apply to said corporation organized under this act.

SEC. 5. Such corporation shall have power

To make contracts of insurance on the plan of mutual insurance with any person or persons or corporations against loss or damage by fire or lightning on any dwelling house, buildings, barn, granery, store, mill, manufactory, elevator or the contents and products thereof, for such premiums or consideration and under such regulations as it may in its by-laws prescribe. *Provided, however,* Nothing herein contained shall be construed as authorizing any company or association, organized under the provisions of this act, doing any business

whatever outside of the limits of said Goodhue county, nor shall any company or association organized under the provisions of this act issue any policies upon any property situated outside the limits of said Goodhue county.

To prescribe the manner and form of the admission of members and their withdrawal.

To make all necessary regulations concerning insurance of property and the appraisalment and payment of losses and alter and amend the same at pleasure subject to the restrictions hereinafter prescribed.

To fix the compensation of its officers, define their duties and obligations and to require bonds for the faithful performance of their duties.

To exercise such other powers as shall be necessary to effect the object of said corporation.

SEC. 6. A majority of the members of the board of directors shall be residents of the state of Minnesota, and all meetings of such board shall be held within the state.

SEC. 7. Said company organized under this act shall not commence business until agreements have been entered into for insurance with at least forty (40) applicants, the premiums on which shall not amount to less than ten thousand (10,000) dollars, of which two thousand (2,000) dollars at least shall have been paid in cash and the notes of solvent parties founded on actual *bona fide* applications for insurance shall have been received for the remainder. No one (1) of the notes received, as aforesaid, shall amount to more than five hundred (500) dollars, and no two (2) shall be given for the same risk or be made by the same person or firm except when the whole amount of such notes shall not exceed five hundred (500) dollars, nor shall any such note be represented as capital stock unless a policy be issued upon the same within thirty (30) days after the organization of the company upon a risk which shall not be for a shorter period than twelve (12) months. No note shall be accepted as part of the capital stock for the purposes of commencement of business unless accompanied by a certificate of a justice of the peace where the person making such note shall reside, that the person making the same is, in his opinion, pecuniarily good and responsible for the same or by other evidence to the satisfaction of the insurance commissioner of the responsibility of the maker or makers thereof.

SEC. 8. All general laws of the state containing provisions applicable to all claims of companies, and to fire insurance companies so far as the same relate or can apply to companies making mutual insurance on a mutual plan shall apply to and be observed by the company organized under this act.

SEC. 9. When said company shall be organized as herein provided and its organization submitted to and approved by the attorney general, and shall have furnished the insurance commissioner proof of its compliance with section (7) hereof, it shall be entitled to receive from said insurance commissioner a certificate that it is entitled to assume risks and issue policies in this state upon the property above specified for any time not exceeding five (5) years, and not to extend

beyond the duration of this corporation, and for an amount not to exceed five thousand (5,000) dollars in any one (1) risk.

SEC. 10. Said company may by its by-laws prescribe the forms and conditions of its policies, and the same alter at pleasure; may fix the rates of insurance upon different classes of property so insured, may provide for varying the same according to the exposure or risk of the several parcels of property insured, may determine the proportion of premium to be paid in advance, and to be secured by premium notes, and vary the same as the experience of such company shall make it necessary, but shall not so reduce the advance payments as to reduce the amount of cash reserve below ten (10) per cent. of the whole capital nor in any event below two thousand (2,000) dollars.

SEC. 11. Every person insured by said corporation shall pay at the time of receiving his policy such sum in money and give his premium note for such further sum as may be required, and every person effecting insurance in said company organized under this act, and the heirs, executors and assigns of such person continuing to be so insured, shall thereby become members of such corporation during the period of insurance, and shall be bound to pay for losses and such necessary expenses as may accrue in the management of such company in proportion to the amount of such premium note. The directors shall, as often as they may deem necessary, after receiving notice of any loss or damage by fire and ascertaining the same, or after the rendition of any judgment against such company for loss or damage, settle and determine the sums to be paid by the several members thereof on their respective portions of such loss, and give notice thereof in such manner as the by-laws may require, and the sums so determined shall be paid to the officers of such company within thirty (30) days after the publication or delivery of such notice. If any member shall for the space of such thirty (30) days after such notice neglect or refuse to pay the sum assessed upon him as his proportion of any loss as aforesaid, or of the expenses of such company, such company may sue for and recover judgment for the whole amount of such premium note or notes, with costs of suit, but execution shall only issue for assessments and costs as they accrue. If the whole amount of premium notes shall be insufficient to pay the loss occasioned by any fire or fires, in such case the sufferers insured by the said company shall receive, towards making good their respective losses, a proportional share of the whole amount of such notes according to the sums by them respectively insured, but no member shall ever be required to pay for any loss more than the whole amount of his premium note.

SEC. 12. Except for the payment of losses, as provided for in policies, and with the limitations thereon hereinbefore provided for, the corporation organized under this act shall not incur any debt or liability whatever.

SEC. 13. The amounts received for cash premiums and payments together with the investments and accumulations thereof remaining on hand at any time shall constitute the actual funds of said corporation; the amounts due on premium notes shall constitute the con-

tingent fund, and the aggregate of such funds the capital of said corporation for all the purposes for which said terms are made as provided for in this act.

SEC. 14. This act shall take effect and be in force from and after its passage.

Approved March 3d, 1887.

CHAPTER 209.

[S. F. No. 626]

AN ACT TO AUTHORIZE THE CLERK OF THE DISTRICT COURT OF COUNTY OF BENTON TO TRANSCRIBE AND INDEX CERTAIN RECORDS IN HIS OFFICE.

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

SECTION 1. That the clerk of the district court for the county of Benton in this state, is hereby authorized at the expense of said Benton county to procure suitable books, the forms thereof to be approved by one (1) of the judges of said court, for the transcribing of the docket entries of all judgments docketed in said court. And the said clerk shall, before the first (1st) day of October in the year of our Lord, one thousand eight hundred and eighty-seven (1887), transcribe such judgment docket entries into the book or books so procured as aforesaid, and when so transcribed, such transcribed record shall have the same force and effect in all respects, whether as evidence or otherwise, as the original record thereof.

SEC. 2. That said clerk shall at the expense of said Benton county, procure suitable books, the forms thereof to be approved by one (1) of the judges of said court, for the purpose of indexing all proceedings and records in said clerk's office and the said clerk shall, as soon as practicable index such actions, proceedings and records.

SEC. 3. That compensation for the services to be rendered as provided for in sections one (1) and two (2), the said clerk shall receive from said Benton county as follows: For transcribing entries in the judgment docket, for each judgment debtor; five (5) cents; for indexing all actions, proceedings and records, herein provided for, compensation for which is not otherwise fixed by law, the clerk shall receive for each name indexed five (5) cents.

SEC. 4. Said compensation shall be paid by the county commissioners on the certificate of the court that the work has been properly done, and all judgments thereafter docketed, and all actions thereafter commenced in said court shall be entered in said system of dockets and indexes, so adopted as aforesaid and provided in sections one (1) and two (2) of this act; and the said dockets and indexes shall