Penalty.

SEC. 4. Any person or persons, employer or employers of labor, and any agents, representatives or employes of any person or persons, employer or employers, who shall be guilty of any violation of the provisions of any preceding section of this act, shall be guilty of a misdemeanor and upon conviction, shall be guilty of a fine not exceeding one hundred (100) dollars or imprisonment in the county jail for a period of not more than ninety (90) days.

Daty of county attorney.

SEC. 5. It shall be the duty of the county attorney of any county in which a civil action in the name of the state of Minnesota shall be brought in accordance with the provisions of this act, to begin and prosecute all such suits to a termination whenever information is given him by any person that any employer or employers or corporation; or his or its officers, agents or employes have violated any of the provisions of this act.

Duty of labor commissioner. SEC. 6. It shall be the duty of the commissioner of labor to see that all the conditions of this act are enforced.

SEC. 7. This act shall take effect and be in force from and after its passage.

Approved April 25th 1895.

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8. F. No. 712.

An act to revise and codify the insurance laws of the state.

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

SECTION 1. This act may be cited as the Minnesota insurance act of eighteen hundred and ninety-five. When consistent with the context and not obviously used in a different sense, the term "company" or "insurance company," as used herein, includes all corporations, associations, partnerships or individuals engaged as principals in the business of insurance; the word "domestic" designates those companies incorporated or formed in this state, and the word "foreign," when used without limitation, includes all those formed by authority of any other state or government; the terms "unearned premiums" and reinsurance reserve, and "net value of policies" or "premium reserve," severally intend the liability of an insurance company upon its insurance contracts, other than ac-. 303 C. 1**75** '05 . 331 C. 175 '05

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Act-how cited. Definitions.

95 C 175 72-M 383 77-M 31 77-M 474 8-M 311 80-NW 600 82-NW 647 82-NW 647 80-M - 147 80-M - 147 82-M - 426 83-M - 21 84-NW 824	95 97 97 97 97 97 98 99 99 66 99	-	58 2 63 258 254 258 198 234 30 30
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C. 175

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crued claims, computed by rules of valuation, established by section 11; by the term "net assets" is meant the funds of an insurance company available for the payment of its obligations in Minnesota, including, in case of a mutual fire company, its deposit notes, or other contingent funds, and in case of a mutual marine, or mutual fire and marine company, its subscription funds and premium notes absolutely due, and also including uncollected and deferred premiums not more than three months due, on policies actually in force, after deducting from such funds all unpaid losses and claims, and claims for losses, and all other debts and liabilities, inclusive of policy liability and exclusive of capital; the "profits" of a mutual insurance company are that portion of its cash funds not required for payment of losses and expenses, and set apart for any purpose required by law.

SEC. 2. All insurance companies hereafter incorpo- What comrated, or formed by authority of any general or special law of this state, except town insurance companies now or hereafter formed under chapter eighty-three of the general laws of one thousand eight hundred and seventy-five and acts amendatory thereof, and corporations engaged in the transaction of life and casualty insurance upon the assessment plan under laws of this state, may exercise the powers and shall be subject to the duties and liabilities provided by this act.

And the legislature may, for any cause, it being sufficient, annul or dissolve any such corporation, or revoke > its charter, and may amend or repeal the laws affecting the powers and obligations of such corporations.

SEC. 3. A contract of insurance is an agreement by which one party for a consideration promises to pay money or its equivalent, or to do some act of value to the assured upon the destruction or injury of something in which the other party has an interest, and it shall be unlawful for any company to make any contract of insurance upon or concerning any property or interest or lives in this state, or with any resident thereof, or for any person as insurance agent, or insurance broker, to make, negotiate, solicit, or in any manner aid in a transaction of such insurance, unless and except as authorized under the provisions of this act.

Provided, that nothing herein shall effect the rights or Life and powers of corporations engaged in the transaction of casualty comlife and casualty insurance upon the assessment plan under the laws of this state nor of title insurance save as otherwise herein provided. All contracts of insurance on property, lives or interests in this state shall be deemed to be made in this state.

panles affected.

Contract of insurancedefinition. 95 C 175 \$3 100-M - 497

Insurance commissioner.

Term-bondsalary.

Duties and powers.

Deputy-

Clerks salaries.

Duties—inspection. SEC. 4. The department of insurance shall remain as now established. Its chief officer, appointed by the governor, with the advice and consent of the senate, shall be styled the insurance commissioner for the state, and shall hold his office for the term of two years from the date of his commission and until his successor is appointed and qualified. His term of officeshall commence on the first Monday in January. He shall give bonds with sureties in the sum of twenty-five thousand dollars, to be approved by the treasurer of the state, for the faithful discharge of his duties, and shall receive in full compensation for his services an annual salary of

two thousand five hundred dollars. SEC. 5. The commissioner shall exercise the powers and perform the duties conferred and imposed upon him by this act, or by any other law of the state. He may appoint a deputy commissioner to assist him in his duties, who shall receive an annual salary of eighteen hundred dollars. In the event of a vacancy in the office of commissioner, or during the absence or disability of that officer, the deputy commissioner shall perform the duties of the office. The commissioner may employ in his department a clerk, with an annual salary of seven hundred and twenty dollars, and such additional clerks and assistants as the public business in his charge may require, at an expense not to exceed four hundred and eighty dollars per annum.

SEC. 6. Before granting certificates of authority to an insurance company to issue policies or make contracts of insurance, he shall be satisfied by such examination and evidence as he sees fit to make and require, that such company is otherwise duly qualified under the law of the state to transact business therein. As often as once in two years he shall, personally or by his deputy or chief clerk, visit each domestic insurance company and thoroughly inspect and examine its affairs, especially as to its financial condition and ability to fulfill its obligations, and whether it has complied with the laws. He shall also make an examination of any such company upon the request of the stockholders, creditors, policyholders or persons pecuniarily interested therein, who shall make affidavit of their belief, with specifications of their reasons thereof, that such company is in an unsound condition. Whenever he deems it prudent for the protection of policyholders in this state, he shall in like manner visit and examine, or cause to be visited and examined by some competent person or persons he may appoint for that purpose, any foreign insurance company applying for admission or already admitted to do business by agencies in this state, and

such company shall pay the proper charges incurred in such examination, including the expenses of the commissioner or his deputy, and the expenses and compensation of his assistants employed therein. For the purpose aforesaid the commissioner, or his deputy, or person making the examination, shall have free access to all the books and papers of an insurance company that relate to its business and to the books and papers kept by any of its agents, and may summon and qualify as witnesses under oath and examine the directors, officers, agents and trustees of any such company and any other persons, in relation to its affairs, transactions and conditions.

SEC. 7. If he is of the opinion upon examination or To revoke cer-tilicate of other évidence, that a foreign insurance company is in unsound coman unsound condition, or if a life insurance company, that its actual funds are less than its liabilities; or that it is insolvent, or if a foreign insurance company has failed to comply with the law, or if it is, its officers, or agents refuse to submit to examination, or to perform any legal obligation in relation thereto, he shall revoke or suspend all certificates of authority granted to it or its agents, and shall cause notifications thereof to be published in a newspaper authorized by this act to publish annual statements of insurance companies, and no new business shall thereafter be done by it or its agents in this state while such default or disability continues, nor until its authority to do business is restored by the commissioner; provided, however, that unless the ground for revocation or suspension relates only to the financial condition or soundness of the company or to a deficiency in its assets, he shall notify the company not less than ten days before revoking its authority to do business in this state; and he shall specify in the Hearing by notice the particulars of the supposed violation. The appeal. district court of any county, upon petition of said company, brought within the ten days aforesaid, shall summarily hear and determine the question whether such violation has been committed, and shall make any proper order or decree therein and enforce the same by any appropriate process. If the order or decree is adverse to the petitioning company, an appeal therefrom may be taken to the supreme court; and in the case of such appeal the commissioner may issue his order revoking the right of said petitioning company to do business in this state until the final determination of the question by the supreme court aforesaid. Neither this act nor any proceedings thereunder shall affect any criminal prosecution or proceeding for the enforcement of any fine, penalty or forfeiture. If, upon examination,

panies.

Unwound domestic companies—injunction. he is of the opinion that any domestic insurance company is insolvent, or has exceeded its powers or has failed to comply with any provisions of law, or that its condition is such as to render its further proceedings hazardous to the public or to its policyholders, he shall apply to a judge of any district court to issue an injunction, restraining it in whole or in part from further proceeding with its business. Such judge may, in his discretion, issue the injunction forthwith or upon notice and hearing thereon, and after a full hearing of the matter may dissolve or modify such injunction or make it perpetual, and make all orders and decrees needful in the premises and may appoint agents or receivers to take possession of the property and effects of the company, and to settle its affairs subject to such rules and orders as the court may from time to time prescribe, according to the course of proceedings in equity. Service of process in such proceedings shall be sufficient if made upon any person authorized by such company to write policies or accept premiums.

SEC. 8. Whenever it appears to him that the capital of a domestic insurance company, other than life insurance, is unpaid to the extent of one-fourth or more, on the basis fixed in section eleven, he shall notify the company that its capital is legally subject to be made good in the mode provided by section thirty-five, and if such company shall not within three months after such notice satisfy him that it has fully repaired its capital, or reduced its capital as provided in section thirty-seven, he shall institute proceedings against it in accordance with the preceding section.

SEC. 9. When the actual funds of a domestic life insurance company are not of a net cash value equal to its liabilities, including the net value of its policies computed by the rule of valuation established by section eleven, he shall notify such company and its agents to issue no new policies until its funds become equal to its liabilities.

SEC. 10. If upon examination or other evidence exhibited to him he is of the opinion that any insurance company, or an officer or agent thereof, has violated any provisions of this act, he shall report the facts to the attorney general, who shall cause such company, officer or agent to be prosecuted therefor.

SEC. 11. He shall each year compute the net value on the thirty-first day of December of the preceding year of all outstanding policies of life insurance in companies authorized to make insurance on lives in this state upon the basis of the American Experience Table of Mortality, with the interest at four and one-half per cent per

Impaired capital.

Life insurance companiesimpairment.

Violation of this act.

American experience table of mortality.

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annum, and the aggregate net value, so ascertained, of the policies of any such company shall be deemed its liability on account of its policy obligations, other than accrued claims, to provide for which it shall hold funds in secure investments of an amount equal to such net value above all its other liabilities. When the actual premium charged by a company for an insurance is less than the net premium for such insurance, computed according to the table of mortality and the rate of interest aforesaid, then and in every such case the company shall be charged as a separate liability with the value of an annuity, the amount of which shallequal the difference between the premium aforesaid, and the term of which in years shall equal the number of future annual payments due on said insurance at the date of the valuation.

*Provided*, however, he may accept the valuations made by the insurance commissioner of the state under whose authority a life insurance company was organized, when such valuations have been made on sound and recognized principles and legal basis, or its equivalent, as above;

*Provided* the company shall furnish to the insurance commissioner of this state, a certificate from the insurance commissioner of such state, setting forth the value calculated, on the date designated above, of all the policies in force in the company on the previous thirtyfirst day of December. Every life insurance company doing business in this state during the year for which the statement is made that fails to promptly furnish the certificate aforesaid shall be required to make full detailed lists of policies and securities to the insurance commissioner of this state, and shall be liable for all charges and expenses consequent upon not having furnished such certificate.

To determine the liability of its contracts of insurance companies of an insurance company, other than life, credit and real other than life, credit and real estate title insurance, and thence the amount such com- estate titlepany shall hold as a reserve for a reinsurance, he may take fifty per cent, or the actual unearned portion of the premiums written in its policies; but in respect to inland and marine risks he shall compute the liability thereon by charging sixty per cent of the amount of premiums written in its policies upon yearly risks and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other inland and marine risks not terminated; provided, that in case of fire and marine insurance companies with less than two hundred thousand dollars capital admitted to transact fire insurance only

reserve.

in this state, the full amount of premiums written in their marine and inland navigation and transportion insurance policies shall be charged as liability. In valuing the assets, except cash on hand, which compose the legal reserve of a life insurance company, the real estate, the bonds and stocks shall be taken at such a value that the average annual income thereof shall be not less than three per cent of the valuation; and if any asset or investment is conditioned upon a rate of interest of less than three per cent annually, such asset or investment shall be rated at its value, considering the actual income and time it has to run, as the equivalent of a three per cent investment; loans and credits shall not be allowed for more than their face value, nor shall any asset or investment be appraised for more than its market value. He shall allow to the credit of an insurance company in the account of its financial condition only such assets as are available for the pavment of losses in Minnesota, but may credit any deposits or funds of the company set apart as security for a particular liability in set-off to the amount charged on account of such liability. He shall not allow stockholders' obligations of any description as part of the assets or capital of any stock insurance company unless the same are secured by competent collateral, or mortgages on real estate.

SEC. 12. He shall upon application, examine the proceedings of domestic companies to increase or reduce their capital stock, and when found conformable to law shall endorse certificates thereof, and shall issue certificates of authority to such companies to transact business upon such increased or reduced capital.

SEC. 13. He or his deputy shall annually, and oftener if there seems occasion, examine the accounts and transactions of all receivers or assignees of insolvent insurance companies; and shall also carefully examine all accounts of such receivers or assignees referred to him under the provisions of section ninety-four and make report thereof to the court. For the above purpose he or his deputy shall have free access to the official books and papers of such receivers or assignees relative to their transactions, and may examine such receivers or assignces under oath as to all matters connected therewith. Whenever in his opinion any receiver or assignee has violated his duty in office, or further proceedings by receivers or assignees to collect an assessment will not offer substantial relief to creditors, the commissioner shall certify the facts to the court having jurisdiction of the proceedings.

Unsecured stockbolders, notes barred,

Examine accounts of receivers.

Increasing or reducing capital—certificate.

Receivers-viclation of duty,

SEC. 14. When legal process is served upon him as Foreign comattorney for a foreign company under the provisions of this act, the same shall be by duplicate copies, one of which shall be filed in the office of said commissioner, and the other by him immediately mailed postage prepaid, to home office of the company, or to the address of the authorized resident attorney in this state, as the company may designate in such stipulation.

SEC. 15. He shall collect and pay into the treasury charges as follows: For filing copy of charter or articles of incorporation of any foreign insurance company, twenty-five dollars, and for filing statement with application for admission and for each annual statement with applicatwenty dollars, for each license to procure fire insurance in unauthorized foreign companies, ten dollars annually. For each certificate of renewal thereof to an insurance agent, one dollar. For each certificate of the valuation of the policies of any life insurance company, and for each certificate of the examination, condition or qualification of an insurance company, one dollar; for each copy of any paper on file in his office, twenty cents a folio, and one dollar for certifying the same; and all other fees and charges due and payable into the treasury for any official act or service of the commissioner.

SEC. 16. He shall keep and preserve in a permanent Records-reform a record of his proceedings, including a concise statement of the result of official examinations of insurance companies. He shall annually, and as early as consistent with full and accurate preparation, make a report to the governor of his official transaction, and shall include in such report a statement of the receipts and expenditures of his department for the preceding year; a report of the conditions of the receivership of insolvent companies; an exhibit of the financial condition and business transaction of the several insurance companies as disclosed by official examinations of the same or by their annual statements, abstract of which statement, together with valuation of life policies, shall appear therein, and such other information and comments in relation to insurance and the public interest therein, as he deems fit to communicate.

SEC. 17. Every insurance company, foreign or domes- Name of comtic, shall conduct its business in this state in its own policy. corporate name, and the policies and contracts of insurance issued by it shall be headed, or entitled, only by its proper or corporate name. When any such company publishes its assets, it shall in the same connection Assets-liabiliand with equal conspicuousness publish its liabilities these-constal-computed on the basis allowed for its annual state-

panies—service of process.

Fees.

cation for admission and for each annual statement.

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pany to head

SEC. 18. Every such company, domestic or foreign, shall be liable to taxation as provided by this act, and it shall, by its proper officers, make to the insurance commissioner or other officer of this state such returns and statements of its business and affairs as the law may requirefor the purpose of assessment of such taxes, and thereupon its officers and agents may be examined under oath by the officer to whom such returns are to be made.

SEC. 19. If any company other than life, authorized to transact the business of insurance in this state, shall directly or indirectly contract for or effect any reinsurance of any risks or part thereof taken by it, it shall make a sworn report thereof to the insurance commissioner at the time of filing its annual statement, or at such other time as he may request, and such reinsurance, except so far as it is in companies authorized to do business in this state, shall not reduce the taxes to be paid by it. No fire insurance company shall insure in a single risk a larger sum than one-tenth of its net assets.

SEC. 20. No oral or written misrepresentation made in the negotiation of a contract or policy of insurance, by the assured or in his behalf, shall be deemed material or defeat or avoid the policy or prevent its attaching, unless such misrepresentation is made with actual intent to deceive and defraud, or unless the matter misrepresented increase the risk of loss.

SEC. 21. The general provisions of law relative to the powers, duties and liabilities of corporations or their agents shall apply to all incorporated insurance companies as far as the provisions are pertinent and not in conflict with the provisions of law relative to such companies or with their charters. All insurance companies of this state may be governed by this chapter, anything in their special charters to the contrary notwithstanding; providing notice of the acceptance of said act is filed with the insurance commissioner.

SEC. 22. Domestic insurance companies incorporated by special acts whose charters are subject to a limitation of time shall after such limitation expires continue to be bodies corporate, subject to all general laws applicable to such companies.

SEC. 23. No domestic insurance company shall issue policies until upon examination by the commissioner or his deputy, it is found to have complied with the laws of the state, nor until it has obtained from the commis-

Taxation.

Report of reinsumme.

Fire insurance —single risk.

Misrepresentation by applicant.

Sec. 20

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General laws of corporations applies. 1901 C 143

> Expired charters.

No policies to be issued until authorized.

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sioner a certificate setting forth that fact and authorizing it to issue policies.

SEC. 24. Any such company may adopt by laws for By-laws of the conduct of its business not repugnant to law nor to its charter, and therein may provide for the division of 1901 C 14 3 its board of directors into two, three or four classes, and the election thereof at its annual meetings in such manner as that the members of one class only shall retire and their successors be chosen each year. Vacancies in any such class may be filled by election by the board for the unexpired term. The secretary and treas- secretary and urer shall severally give bonds with sureties in such sum as the directors may require for the faithful performance of their respective duties. All matters proposed to be special meetacted upon at any meeting of the company shall be specified in the call for the same. All investments of the Investment of funds of the company shall be made in its corporate funds. name, and no officer of the company and no member of the committee thereof charged with the duty of investing its funds shall borrow the same or be directly or indirectly liable for or on account of loans thereof to others, nor shall any director or other officer take or receive to his own use any fee, brokerage, commission, gift or other consideration for or on account of a loan made by or on behalf of such company. All policies Policies-how issued by such company shall be signed by its secretary, or, in his absence, by a secretary pro tempore, and by its president, or vice-president, or, in their absence, by two directors. Such companies shall have their office in the Place of busicity or town specified in their charter; and when they establish agencies in other cities or towns, all signs, cards, pamphlets and advertisements exhibited or issued by them shall specify the city or town where the company they represent is located. They shall not deal or trade in buying or selling goods, wares or merchandise, except articles insured by them on which losses are claimed, and except in replacing, rebuilding or repairing insured property as provided in their policies, nor engage any business other than as specified in their . in – charters and articles of incorporation and expressly authorized by law. Any such company may acquire May hold real and hold real estate for the convenience, accomodation of its business at a cost not exceeding twenty-five per cent of its cash assets, and not otherwise, but may hold real estate acquired under the conditions of any mortgage owned by it, or by purchase, or set-off on execution, upon judgment for debts due it in the course of its legitimate business.

companies.

treasurer to give bonds.

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signed.

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estate-when.

SEC. 25. No fire or fire and marine insurance com- No jurisdicpany shall make any conditions or stipulation in its  $\mathbf{26}$ Sec. 25

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tional limita-	C 175 § 25
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## GENERAL LAWS

[Chap.

Limitation of action. 402

Void provisions,

Liquidated loss.

Increase of risk—barden of proof.

insurance contracts concerning the court or jurisdiction wherein any suit thereon may be brought, nor shall limit the time within which such suit may be commenced to less than one year after the cause of action accrues. Any provision, contract or stipulation contained in any contract or policy of insurance issued or made by any fire insurance company, association, syndicate or corporation, insuring any property within this state, except risks equipped by automatic sprinklers, whereby it is provided or stipulated that the assured shall maintain insurance on any property covered by the policy to the extent of eighty per cent on the value thereof, or to any extent whatever, and any provision or stipulation in any such contract or policy of insurance, that the insured shall be an insurer of the property insured to any extent, and any provision or stipulation in any such contract or policy to the effect that the insured shall bear any portion of the loss on the property insured are hereby declared to be null and void. and the liability of the company, syndicate, association or corporation issuing the policy shall be the same as if no such agreement, stipulation or contract were contained in such policy nor shall any such insurance company insert any condition, stipulation or agreement in any policy of insurance requiring a certificate from any notary public, justice of the peace, or other magistraté or person, as to anything whatever connected with such insurance or loss, and any such condition or stipulation shall be void. Any person, company or association hereafter insuring any building or structure against loss or damage by fire, lightning or other hazard by a renewal of a policy heretofore issued or otherwise, shall cause such building or structure to be examined by the insurer or his agent, and a full description thereof to be made, and the insurable value thereof to be fixed by the insurer or his agent, the amount of which shall be stated in the policy of insurance. In the absence of any change increasing the risk, without the consent of the insurer, and in the absence of intentional fraud on the part of the insured, in case of total loss the whole amount mentioned in the policy or renewal upon which the insurer receives a premium shall be paid; and in case of a partial loss the full amount of the partial loss shall be paid, and in case there are two or more policies upon the property, each policy shall contribute to the payment of the whole or the partial loss in proportion to the amount of insurance mentioned in each policy, but in no case shall the insurer be required to pay more than the amount mentioned in the policy; provided, that, in the absence of fraud, the burden of proof to show

an increase of risk by reason of any change in the ownership or condition of the structure or building upon which insurance is effected, either before or after loss arises, shall be upon the insurer; any thing in the application or the policy of insurance to the contrary notwithstanding. And any person who solicits insurance Agent-who is, and procures the application therefor shall be held to be the agent of the party thereafter issuing the policy upon such application, or a renewal thereof, anything in the application or policy to the contrary notwithstanding.

SEC. 26. If any domestic insurance company shall shall comnot commence to issue policies within one year after mence to issue the date of its act of incorporation or of its certificate one sear. of organization, its corporate power shall expire by their own limitation, and any judge of the district court, upon petition of the insurance commissioner, or of any person interested, may fix by decree the time within which it shall settle and close its concerns.

SEC. 27. Insurance companies may be formed as pro- Kinds of vided in section twenty-eight, for any one of the follow- (asurance c 175 §27 companies, c 175 §27 ing purposes to-wit:

First—To insure against lost or damage to property by fire, lightning, hail or tempest on land, upon the stock or mutual plan.

Second—To make insurance upon the lives of individuals and every insurance appertaining thereto or connected therewith, and to grant, purchase or dispose of annuities and endowments of any kind. Provided, no company transacting the business of life insurance in this state shall be permitted to take any other kinds or risks except those connected with or appertaining to making insurance on life, or against accident to persons, and the granting, purchasing and disposing of annuities and endowments.

Third—To insure upon the stock or mutual plan vessels, freights, goods, money, effects, and money lent on bottomry or respondentia, against the perils of the sea, and other perils usually insured against by marine insurance, including risks of inland navigation and transportation.

Fourth—To guarantee the fidelity of persons in positions of trust, private or public, and to act as surety on official bonds and for the performance of other obligations.

Fifth—To insure against loss or damage to the property of the assured, or loss or damage to the life, person or property of another for which the assured is liable, caused by the explosion of steam boilers.

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Sixth—To insure any person against bodily injury or death by accident, or any person, firm or corporation against loss or damage on account of the bodily injury or death by accident of any person for which loss or damage said person, firm or corporation is responsible. Seventh—To insure against the breakage of plate glass, local or transit.

SEC. 28. The procedure for organizing such a corporation shall be as follows:

The proposed corporators, who must be residents of this state, and not less than ten, shall subscribe articles of association, setting forth their intention to form a corporation; its proposed name, which must not so closely resemble the name of an existing corporation as to be likely to mislead the public, and must be approved by the insurance commissioner; the class of insurance it proposes to transact and on what business plan or principle; the place within this state of its location; and, if on the stock plan, the amount of its capital stock. The words "insurance company" must be a part of the title of any such corporation, and also the word "mutual" if it is organized upon the mutual principle. The first meeting for the purpose of organization shall be called by a notice, signed by one or more of the subscribers to the articles of association, stating the time, place and purpose of the meeting; a copy whereof shall, at least before the appointed time, be given to each subscriber or left at his usual place of business or residence or duly mailed to his postoffice address, and whoever gives such notice shall make affidavit thereof, which shall include a copy of the notice and be entered upon the records of the corporation. At such first meeting including any adjournment thereof, an organization shall be effected by the choice, by ballot, of a temporary clerk, who shall be sworn, by the adoption of by-laws and by the election of directors and such other officers as the by-laws may require; but at such first meeting no person shall be elected director who has not signed the articles of association. The temporary clerk shall record the proceedings until and including the choice and qualification of the secretary.

The directors so chosen shall elect a president, secretary and such other officers which under the by-laws they are authorized to choose. The president, secretary and a majority of the directors shall forthwith make, sign and swear to a certificate setting forth a copy of the articles of association, with the names of the subscribers thereto, the date of the first meeting and of any adjournment thereof; and shall submit such certificate and the records of the corporation to the insurance

Method of incorporation and organization. commissioner, who shall examine the same, and who may require such other evidence as he may judge necessary. The commissioner, if it appears that the requirements of the law as herein set forth have been complied with, shall cause such articles of incorporation to be recorded in a book kept in his office, and shall thereupon issue to such company his certificate of authority, authorizing them to do the business mentioned in their articles of incorporation in this state. The insurance commissioner shall sign said certificate and cause the seal of his office to be thereto affixed. He shall also keep a copy of such certificate; and a certified copy of the same may be given in evidence with the like effect as the original certificate.

SEC. 29. No corporation so formed shall transact any other business than that specified in its charter and articles of association. Companies who insure plate 1899 C 234 glass may organize with a capital of not less than one 1905 c 118 hundred thousand dollars. Companies so formed insuring marine inland risks upon the stock plan shall have a capital of not less than two hundred thousand dollars. Capital neces-Companies so formed for the transaction of fire insurance on the stock plan, or fidelity insurance, or accident insurance, or of steam boiler insurance, shall have a capital of not less than one hundred thousand dollars. Companies to insure lives on the stock plan shall have a capital of not less than one hundred thousand dollars.

SEC. 30. The board of directors of each domestic Board of stock insurance company shall consist of not less than five members, chosen by ballot from stockholders resident in this state who shall hold office for one year, or for the term provided in its by-laws as authorized by section twenty-four, and until their successors are qualified. In the choice of directors and at all meetings of the company each stockholder shall be entitled to one vote for each share he holds. Proxies may be authorized Proxies. by written power of attorney. The record of the votes made by the secretary or clerk, which shall show whether the same were cast in person or by proxy shall be evidence of all such elections. The directors, before they are qualified to act, shall file with the secretary a written acceptance of the trust. Not less than four shall constitute a quorum, and a majority of those in attendance may transact business; vacancies in any office may be filled by the directors or by the stockholders, as the by-laws shall provide. The directors shall Election of annually choose by ballot a president, who shall be a member of the board, a secretary, and such other officers as the by-laws provide. They may call special meetings of the stockholders whenever they deem proper, and

Limited by charter.

sary.

directors.

officerø.

Reports.

Duties of officers.

Linbility of officers,

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shall call such meeting on the written application of the owners of one-fifth part of the capital, or of twenty shareholders, setting forth the purposes of the same. They shall at each annual meeting of the company submit a full statement of the transactions of the company during the previous year and of its financial condition. The president and secretary, and vice-president, if there be one, shall annually be sworn and their oaths entered of record in the company's books. The president, or in his absence, the vice-president, if there be one, shall preside at all meetings of the directors or stockholders. In the absence of the president and vice-president a president pro tempore may be chosen. The secretary shall keep a record of the votes and proceedings of all meetings of directors and of the stockholders, a list of the stockholders and the number of shares standing in the name of each; a record of all transfers of shares and of all policies issued and all authorized assignments, cancellations and transfers thereof, and such additional books as the president and directors require. The records so kept shall be evidence of the transactions to which they relate and open to the inspection of any person interested therein, and for making any willfully false record the secretary shall be deemed guilty of the crime of perjury.

SEC. 31. The directors or other officers making or authorizing an investment or loan in violation of section 32 shall be personally liable to all stockholders for any loss occasioned thereby. If a company is under liability for losses equal to its net assets, and the president and directors knowing it assent to further insurance, they shall be personally liable for any loss under such insurance. If the directors allow to be insured on a single risk a larger sum than the law permits, they shall be personally liable for any loss thereon above the amount they might lawfully insure.

SEC. 32. The capital stock shall be paid in cash within six months from the date of charter or certificate of organization, and no certificates of full shares and no policies shall be issued until the whole capital stock is paid in. A majority of the directors shall certify on oath that the money has been paid by the stockholders for their respective shares, and the same is held as the capital of the company, invested or to be invested as required by this section. The capital stock and accumulations of any insurance company of this state shall be invested in the bonds or treasury notes of the United States, or national bank stock, or interest-bearing bonds of this state or any other state of the United States, or of any city, town or county of

this state or any other state of the United States, hav- Capital and noing legal authority to issue the same, at their market how invested. value, or in any interst or dividend-paying stocks or bonds issued under the laws of this state or any other state of the United States, at their known market value, or they may be invested or loaned on mortgages of unincumbered real estate in this or any other state of the United States, worth at least twice the amount loaned thereon, exclusive of buildings, except when such buildings are insured and the policies duly assigned as as additional securety; or loaned on pledges of any of the securities named in this section; *provided*, always, that the current market value of such pledged securities shall be at all times, during the continuance of such loans, at least twenty per cent more than the sum loaned on them, and all such loans are subject to the power of the company to terminate same in case of depreciation of the securities below the limit; and provided, that in all investments made upon mortgaged securities the evidence of the debt shall accompany the mortgage or deed of trust.

SEC. 33. When the net assets of a company other Assets-assessthan life do not amount to more than three-fourths of its original capital, it may make good its capital to the original amount by assessment of its stock. Shares on which such an assessment is not paid within sixty days after demand shall be forfeitable and may be canceled by a vote of the directors and new shares issued to make up the deficiency. If such company shall not within three months after notice from the insurance commissioner to that effect make good its capital as aforesaid or reduce the same, as allowed by section thirty-five, its authority to transact new business of insurance shall cease.

SEC. 34. When the capital stock of any such com- Reduction of pany is impaired, such company may, upon a vote of capital. of the majority of the stock represented at a meeting 1899 c 344 legally called for that purpose, reduce its capital stock and the number of shares thereof to an amount not less than the minimum sum required by law. But no part of its assets and property shall be distributed to the stockholders. Within ten days after such meeting the Report of recompany shall submit to the insurance commissioner a certificate setting forth the proceedings thereof and the amount of such reduction, and the assets and liabilities of the company, signed and sworn to by its president, secretary and a majority of its directors. The commissioner shall examine the facts in the case, and if the same conform to law and in his judgment, the proposed reduction may be made without prejudice to the public, he

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duction.

shall endorse his approval upon the certificate. Upon filing the certificate, so endorsed, with the secretary of this state and paying a fee of five dollars for the filing thereof, the company may transact business upon the basis of such reduced capital as though the same were its original capital, and its charter shall be deemed to be amended to conform thereto; and the insurance commissioner shall issue his certificate to that effect. Such company may, by a majority vote of its directors, after such reduction, require the return of the original certificate of stock held by each stockholder in exchange for new certificates it may issue in lieu thereof, for such number of shares as each stockholder is entitled to in the proportion that the reduced capital bears to the original capital.

SEC. 35. No domestic stock company shall make a dividend, either in cash or stock certificates, except from its actual net surplus, computed as required by law in its annual statement; nor shall any such company which has ceased to do new business of insurance divide any portion of its assets except surplus to its stockholders until it shall have performed or canceled its policy obligations. Any such company may declare and pay, annually or semi-annually, from its surplus, cash dividends to its stockholders of not more than ten per cent of its capital stock in a year; and if the dividends in any year are less than ten per cent, the difference may be made up in any subsequent year or years from surplus accumulations; provided, however, that any such company may paysuch dividend as the directors may deem prudent out of any surplus that shall remain after charging to all its liabilities, except unearned premiums, as required by law, such a sum as the insurance commissioner shall deem sufficient to properly protect policyholders in addition to the unearned premium reserve herein required to be maintained equal to the whole amount of premiums on unexpired risks, and deducting from the assets all securities and book accounts on which no part of the principal or interest has been paid within the last year. and for which foreclosure or suit has been commenced for collection, or which, after judgment obtained thereon, shall have remained more than two years unsatisfied, and on which interest shall not have been paid, and also deducting all interests due and unpaid upon any property of the company,

SEC. 36. No policy shall be issued by a purely mutual fire insurance company hereafter organized until not less than seven hundred and fifty thousand dollars of insurance, in not less than three hundred separate risks upon property located in Minnesota, has been sub- $1849 \approx 198$ 

Exchange of certificates of stork.

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No<sup>c</sup> nal Fire 97 c 5<sup>o</sup> g Ins<sup>-10</sup>'s, 95 c 17526 03 - 92 03 - 92 03 - 347 Sec. 38 C. 175 05 . 117

scribed for and entered on its books. No officer or other person whose duty it is to determine the character of the risks, and upon whose decision the applications shall be accepted or rejected by a mutual fire insurance company, shall receive as any part of his compensation a commission upon the premiums, but his compensation shall be a fixed salary and such share of the net profits as the directors may determine. Nor shall such officer or person aforesaid be an employe of any officer or agent of the company. The provisions of section thirty-six do Except town-not apply to township mutual fire insurance companies. Fire Ias. Co's.

SEC. 37. Every person insured by a mutual fire insurance company shall be a member while his policy is in force, entitled to one vote for each policy he holds, and shall be notified of the time and place of holding its meetings by a written notice or by an imprint upon the back of each policy, receipt or certificate of renewal, as follows, to-wit:

"The assured is hereby notified that by virtue of his Notice of policy he is a member of the.....insurance company, and that the annual meetings of said company are holden at its home office on the.....day of.....in each year, at.....o'clock."

The blanks shall be duly filled in print, and the same shall be deemed a sufficient notice.

A corporation which becomes a member of such company may authorize any person to represent it in such company, and such representative shall have all the rights of an individual member. Any person holding property in trust may insure the same in such company, and as such trustee assume the liabilities and be entitled to the rights of a member, but shall not be personally liable upon any contract of insurance. Proxies. Members may vote by proxies, dated and executed within three months, and returned and recorded in the books of the company three days or more before the meeting at which they are to be used. Every such company shall elect by ballot a board of not less than five Directorsdirectors, who shall manage and conduct its business, and who shall hold office for one year, or for such term as the by-laws may provide in accordance with section twenty-four, and until their successors are qualified. Two-thirds, at least, of the directors shall be citizens of thisstate, and after the first election members only shall be eligible, but no director shall be disqualified from serving the term he was chosen for by reason of the expiration or cancellation of his policy; provided, that in companies with a guaranty capital one-half of the directors shall be chosen by and from the stockholders.

Membershin.

meetings.

election,

Quorum,

Election of officers. Five or more of the directors shall constitute a quorum for the transaction of business by the vote of a majority of those in attendance.

Vacancies in any office may be filled in such manner as the by-laws shall provide.

SEC. 38. The directors shall annually choose by ballot a president, who shall be a member of the board; a secretary; a treasurer, who may also beeither the president or secretary, and such other officers as the by-laws provide.

They may call special meetings of the members of the corporation whenever they see fit, of which each member shall have such notice as the by-laws provide, and shall call such meetings upon the written request of twenty members or of the owners of one-fifth of the guaranty capital, setting forth the purpose thereof.

The president, the vice president, if there be one, and the secretary and treasurer shall be annually sworn and their oaths be entered of record in the books of the corporation.

The president, or, in his absence, the vice president, shall preside at all meetings of the directors or members. In the absence of both, a president pro tempore may be chosen.

The secretary shall keep a record of the votes, whether cast in person or by proxy, and the other proceedings of all meetings of the directors and of the members; a true list of the holders of the guaranty capital, if any, the number of shares owned by each, and a record of all transfers of such shares; and shall record all policies issued and all authorized assignments, transfers and cancellations thereof; and such other books and records as the president and directors may require.

The records so kept shall be evidence of the transactions to which they relate, and for making any wilfully false record the secretary shall be deemed guilty of the crime of forgery. Such records shall be open to the inspection of any person interested therein.

SEC. 39. The directors of any mutual fire insurance company may, from time to time, by vote, fix and determine the amount to be paid as a dividend upon policies expiring during each year.

Each policyholder shall be liable to pay his apportional part of any assessments which may be made by the company in accordance with law and his contract on account of losses and expenses incurred while he was a member, *provided*, he is notified of such assessment within one year after the expiration of his policy.

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Dividende.

Sec. 39

С. 175 87-М. 394

SEC. 40. Mutual fire insurance companies, except as Premium. provided in the next section, shall charge and collect on their policies a full mutual premium in cash or notes absolutely payable.

Any such company may in its by-laws and policies fix Liability o C. 175 87-M. 394 the contingent mutual liability of its members for the payment of losses and expenses not provided for by its cash fund, provided, that such contingent liability of a member shall not be less than a sum equal to and in addition to the cash premium written in his policy, nor more than a sum equal to three times the amount of such cash premium.

The total amount of the liability of the policyholder shall be plainly and legibly stated upon each policy.

Whenever any reduction is made in the contingent liability of members such reduction shall apply proportionally to all policies in force.

SEC. 41. Mutual fire insurance companies now or- Existing muganized and lawfully doing business upon the plan of Co's. taking deposit notes or contingent liabilities for a percentage of the amount insured by its policies, and making a call or assessment thereon for the payment of losses and expenses as the same are incurred, may continue such system of business, and not less than twice nor more than five times the amount of such deposit notes or contingent liabilities shall constitute the entire liability of their members.

SEC. 42. Whenever a mutual fire insurance company is not possessed of cash funds above its reinsurance reserve sufficient for the payment of incurred losses and expenses, it shall make an assessment for the amount needed to pay such losses, and expenses upon its members liable to assessment therefor in proportion to their several liabilities.

The company shall cause to be recorded in a book kept for that purpose the order for such assessment together with a statement which shall set forth the condition of the company at the date of the order, the amount of its cash assets and office deposit notes or other contingent funds liable to the assessment, the amount the assessment calls for and the particular losses or other liabilities it is made to provide for.

Such record shall be made and signed by the directors who voted for the order before any part of the assessment is collected, and any person liable to the assessment may inspect and take a copy of the same.

SEC. 43. When by reason of depreciation, or loss of same. its funds, or otherwise, the cash assets of such a company, after providing for its other debts, are less than the required premium reserve upon its policies, it shall

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Sec. 40

members.

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Assessments. Record.

make good the deficiency by assessment in the mode provided in the preceding section, notice of which assessment shall filed in the insurance commissioner's office, or if the directors, or insurance commissioners, are of the opinion that the company is liable to become insolvent, the directors, or upon their failure for a period of five days to do so the insurance commissioner may, instead of such assessment, order two assessments to be made, the first determing what each policyholder must equitably pay or receive in case of withdrawal from the company and having his policy canceled, the second what further sum each must pay in order to reinsure the unexpired term of his policy at the same rate as the whole was insured at first.

Each policyholder shall pay or receive according to the first assessment, and his policy shall then be can celed, unless he pays the sum further determined by the second assessment, in which case his policy shall continue in force; but in neither case shall a policy holder receive or have credited to him more than he would have received on having his policy canceled by a vote of the directors under the by-laws.

If within two months after such alternative assessments have been collectable the amount of the policies whose holders have settled for both assessments is less than five hundred thousand dollars, the company shall cease to issue policies, and all policies whose holders have not settled for both assessments shall be void, and the company shall continue only for the purpose of adjusting the deficiency or excess of premiums among the members and settling outstanding claims.

No assessment shall be valid against a person who has not been duly notified thereof in writing within one year after the expiration or cancellation of his policy.

And when an assessment is ordered, the directors shall forthwith cause written notice and demand for payment to be made upon each person subject thereto, by mail or personal service.

SEC. 44. When the directors make an assessment or call upon the members for money, or vote that there exists a necessity for such call or assessment, they or any person interested in the company as an officer, policyholder or creditor, may apply to the district court of any county, by a petition in the nature of a bill in equity praying the court to examine such assessment or call, the necessity therefor, and all matters connected therewith, and to ratify, amend or annul the assessment or call, or to order that the same be made as law and justice may require; but application when made by any party except the corporation, or a receiver, or the

Report.

Invalid assessment.

Liquidation.

Petition to court to enforce ansensment. insurance commissioner, shall rest in the discretion of the court.

When the directors unreasonably neglect to make an assessment or call to satisfy an admitted or ascertained claim upon the company, any judgment creditor, or any person holding such claim, or the insurance commissioner, may make the application to the court.

Upon such application, if made by the directors, Hearing on or upon an order of the court, or if made by any other party, the directors shall set forth the claims against the company, its assets, and all other facts and particulars appertaining to the matter.

The court before which such petition is filed shall order notice to be given by publication or otherwise to all parties interested, and upon the return thereof shall proceed to examine the assessment or call, or the necessity and all matters connected therewith.

Any party interested may appear and be heard thereon. All questions that arise shall be heard and determined as in other equity cases.

The application may be referred to a referee, who shall Referee. appoint a time and place to hear all parties interested. and shall give at least ten days personal notice thereof in writing to the insurance commissioner, and through the post office, so far as he is able, to all persons liable upon said assessment or call.

The referee shall hear the parties and report upon the correctness of the assessment or call, and all matters connected therewith.

The court may ratify, amend or annul the assessment Decree. or call, or order one to be made; and may make such orders and decrees in the premises as, under all the circumstances, justice and equity require.

If the assessment or call is altered or amended, or one is ordered to be made, the directors shall forthwith proceed to vote the same in legal form, and the record of such vote shall be set forth in a supplemental bill or answer.

When an assessment or call has been so ratified, ascertained or established, a decree shall be entered which shall be final and conclusive upon the company and all parties liable to the assessment or call as to the necessity of the same, the authority of the company to make or collect the same, the amount thereof, and all formalities connected therewith.

An assessment or call, altered or amended by vote of the directors and decree of the court thereon shall be binding on all parties who would have been liable

petition.

under it as originally made, and in all legal proceedings shall be held to be such original assessment or call.

All such proceedings shall be at the cost of the company, unless the court for cause or otherwise, orders; and in all cases the court may control the disposition of the funds collected under such proceedings.

If it appears to the court before which such application is pending that the net proceeds of any assessment or call will not be sufficient to furnish substantial relief to those having claims against the company, the judge may decree that no assessment shall be collected, and when, upon the application of the insurance commissioner, or a member of the company, or of any person interested, the judge is of the opinion that further attempts to collect an assessment then partially collected will not benefit those having claims against the company, he may stay the further collection of said assessment, but the decree of the court made in any proceeding to collect or annul any assessment shall be subject to appeal to the supreme court the same as in any equity proceedings.

SEC. 45. No director or other officer of a mutual fire insurance company shall either officially or privately give a guarantee to a policyholder thereof against an assessment to which he would otherwise be liable.

If the directors of any such company shall neglect or omitfor thespace of six months to lay or collect with all practicable diligence any assessment they are required to make by sections forty-three and forty-four, they shall be personally liable for all debts and claims then outstanding against the company, or that may accrue until such assessment is laid and put in process of collection.

If the treasurer of any such company unreasonably neglects to collect an assessment made by order of the directors and to apply the same to the payment of the claims, for which it was made, he shall be liable in his private capacity to the party having such claims for the amount of the assessment; and he may repay himself out of any money afterward received for the company on account of said assessment.

When sufficient property of any such company cannot be found to satisfy an execution against it and it has property referable to the period assessed the proceeds of which can be applied to satisfy such execution, if the directors neglect to pay the same or neglect for thirty days after the rendition of the judgment to make an assessment and deliver the same to the treasurer for collection, or to apply such assessment when

No immunity.

Failure to assess. Liability of officers. collected to the payment of the execution, they shall be personally liable to the amount of the execution.

When the directors of any such company are liable to Action against pay an execution against it, the creditor may recover the same by a suit in equity or by an action at law against the directors.

The director who pays an execution against the company for which he is personally liable may have a suit at law with equitable remedies for contribution against any of the directors for their proportion and also a suit at law with equitable remedies against the company, or to the individual members thereof to the extent of their several liability to assessments therefor.

SEC. 46. Mutual fire insurance companies organized May insure in or doing business under this act, may insure property in Canada. any part of the United States or in Canada.

SEC. 47. A mutual marine insurance company organ- Agreement ized or under this act shall have an agreement under the with surjer. seal of each subscriber hereto substantially as follows, namely:

"The subscribers severally agree to pay to the..... ..... insurance company on demand the whole or such part of the sums set against our names as may be called from time to time for the use of said company in the payment of its losses and expenses not otherwise provided for."

Such company shall not issue policies until the amount \$200.000 subof two hundred thousand dollars, which shall be the total of such subscriptions shall have been subscribed, and a certificate signed by the president and a majority of the directors, certifying that the subscribers are known to them and that they believe them to be solvent and liable to pay their subscriptions, has been deposited with and approved by the insurance commissioner.

Whenever a subscriber dies or becomes insolvent, his subscription shall be canceled, and whenever the amount of the subscription fund is thereby or otherwise reduced, the deficiency shall be made good by new subscriptions, certified in the same manner as the original.

Subscribers shall be entitled to annual dividends of Dividends. two per cent upon the amount of their subscriptions from the profits of the company, and shall also be reimbursed from future profits for all sums of money they may pay the company for its uses under their agreement, with lawful interest thereon.

The net profits or dividend surplus of such companies Division of shall be annually divided among the insured whose policies terminated during the year in proportion to the contribution of each to such profit or surplus, and such

directors.

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scribed.

Script certificates, dividends shall be made only in script certificates payable only out of the accumulation of net profits or surplus, which accumulation shall constitute and be kept and invested by the company as a separate fund in trust for the redemption of such script certificates, and the contingent payment of losses and expenses as herein provided.

Such certificates, until redeemed, shall be subject to future losses and expenses of the company and to be reduced in case the redemption fund is drawn upon for the payment of such loss and expenses, but no part of the redemption fund shall be used for the payment of losses or expenses unless and only to the extent that the cash assets of the company are insufficient therefor; and whenever any portion thereof shall be used for such payment the outstanding certificates shall be reduced in proportion so that the redemption fund shall at all times equal the amount of the unredeemed certificates.

The net income of the redemption fund shall be divided annually among the holders of its certificates or the company may make such certificates, with a specified rate of interest payable from the income of its invested funds.

As such profits accumulate and are invested subscriptions of an equal amount shall be canceled.

The maximum of such accumulation of profits shall be three hundred thousand dollars, and all excess of profits above said amount shall be applied annually to the payment of the certificates in the order of their issue.

The certificates shall be forthwith payable when the company shall cease to issue policies, and the fund is no longer liable to be drawn upon for the payment of losses.

SEC. 48. All domestic mutual marine insurance companies shall be subject to the provisions of sections thirty-seven and thirty-eight, and each subscriber to the payment fund, or agreement specified in section forty-seven of any such company shall be a member thereof during the term of his subscription and entitled to one vote.

SEC. 49. If the subscriber to the permanent fund or agreement of a mutual marine or mutual fire and marine insurance company fails to pay his subscription or any assessment thereon, and it is proven that the president or a director certified falsely in regard to such subscriber, the person certifying shall be liable to the company for such sum as the subscriber fails to pay.

If any such company is at any time liable for losses beyond the amount of its net assets, the president and

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Sec. 49

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Fersonal liabilly of officers

directors shall be personally liable for all losses on insurance affected while the company was in such condition.

SEC. 50. No insurance company shall knowingly No fire Insurissue any fire insurance policy upon property within over value or this state for an amount which, together with an existing insurance thereon exceeds the fair value of the property, nor for a longer term than seven years, and whenever any company wilfully insures property for more than its real value it shall forfeit to the state school fund double the premium collected on such policy.

SEC. 51. When, by an agreement with the insured, or by the term of a fire insurance policy taken out by a mortgagor the whole or any part of the loss thereon is payable to a mortgagee or mortgagees of the property or for their benefit the company shall, upon satisfactory proof of the rights and title of the parties, in accordance with such terms or agreement pay all mortgagees protected by such policy in the order of their priority of claim, as their claim shall appear, not beyond the amount for which the company is liable, and such payment shall be, to the extent thereof, payment and satisfaction of the liability of the company under such policy.

SEC. 52. In all insurance against loss by fire the Policy to con 95 C 175 152 conditions of insurance shall be stated in full, and in full. Sec. 52 neither the application of the insured nor the by-laws of the company shall be considered as a warranty or a part of the contract, except so far as they are incorporated in full into the policy.

SEC. 53. No fire insurance company shall issue fire Standard policy. insurance policies on property in this state other than  $\mu_{7/2, 257} \frac{82M}{85NW} \frac{427}{212}$ those of the standard form herein set forth, except as 86NW 880 those of the standard form herein set forth, except as follows, to-wit:

First-A company may print on or in its policies its Exceptions. c 175 §53 name, location and date of incorporation, the amount of its paid up capital stock, the names of its officers and agents, the number and date of the policy, and if it is issued through an agent the words, "This policy shall not be valid until countersigned by the duly authorized agent of the company at ----

Second—A company may print or use in its policies printed forms of description and specification of the property insured.

Third—A company insuring against damage by lightning may print, in the clause enumerating the perils insured against, the additional words, "also any damage by lightning, whether fire ensues or not," and, in the clause providing for an apportionment of loss in

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ance policy property.

Loss payable to mortgagee.

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case of other insurance, the words "whether by fire, lightning or both."

Fourth—A company incorporated or formed in this state may print in its policies any provisions which it is authorized or required by law to insert therein; and any company not incorporated or formed in this state may, with the approval of the insurance commissioner, so print any provision required by its charter or deed of settlement or by the laws of its own state or county, not contrary to the laws of this state; *provided*, that the insurance commissioner shall require any provision which, in his opinion, modifies the contract of insurance in such a way as to effect the question of loss to be appended to the policy by a slip, or rider as hereinafter provided.

Fifth—The blanks in said standard form may befilled in print or in writing.

Sixth—A company may print upon policies issued in compliance with the preceding provisions of this section the words "Minnesota standard policy."

Seventh—A company may write upon the margin or across the face of the policy, or write, or print in type not smaller than long primer upon separate slips or riders to be attached thereto, provisions adding to or modifying those contained in the standard form. Provided, that no provision shall be attached to or included in said policy limiting the amount to be paid in case of total loss on buildings to less than the amount of insurance on the same, and all such slips, riders and provisions must be signed by the officers or agent of the company so using them.

The said standard form of policy shall be plainly printed, and no portion thereof shall be in type smaller than long primer, and shall be as follows, to-wit:

Staudard form No.....

(Corporate name of the company or association; its principal place or places of business.)

\$.....

(Description of property insured.)

Bills of exchange, notes, accounts, evidences and securities of property of every kind, books, wearing apparel, plate, money, jewels, medals, patterns, models, scientific cabinets and collections, paintings, sculpture, and curiosities are not included in said insured property, unless specially mentioned.

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Riders.

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The policy shall be void if any material fact or circumstance stated in writing has not been fairly represented by the insured, or if the assured now has or shall hereafter make any other insurance on the said property without the assent of the company, or if, without such assent the said property shall be removed. except that, if such removal shall be necessary for the preservation of the property from fire, this policy shall be valid without such assent for five days thereafter, or if, without such assent, the situation or circumstances affecting the risk shall, by or with the knowledge, advice, agency or consent of the insured, be so altered as to cause an increase of such risks, or if, without such assent, the property shall be sold or this policy assigned, or if the premises hereby insured shall become vacant by the removal of the owner or occupant, and so remain vacant for more than thirty days without such assent, or if it be a manufacturing establishment, running in whole or in part extra time, except that such establishment may run in whole or in part extra hours not later than nine o'clock p. m., or if such establishment shall cease operation for more than thirty days without permission in writing endorsed hereon, or if the insured shall make any attempt to defraud the company, either before or after the loss, or if gunpowder or other articles subject to legal restriction shall be kept in quantities or manner different from those allowed or prescribed by law, or if camphene, benzine, naptha or other chemical oils or burning fluids shall be kept or issued by the insured on the premises insured, except that what is known as refined petroleum, kerosene or coal oil, may be used for lighting, and in dwelling houses kerosene oil stoves may be used for domestic purposes, to be filled when cold, by daylight, and with oil of lawful fire test only.

Policy void if deceit is practiced.

If the insured property shall be exposed to loss or

damage by fire, the insured shall make all reasonable exertions to save and protect the same.

Sworn statement in writing -when

In case of any loss or damage under this policy, a statement in writing, signed and sworn to by the insured, shall be forthwith rendered to the company, setting forth the value of the property insured, except in case of total loss on buildings the value of said buildings need not be stated, the interest of the insured therein, all other insurance thereon, in detail, the purposes for which and the persons by whom the building insured, or containing the property insured, was used, and the time at which and manner in which the fire originated so far as known to the insured.

The company may also examine the books of account and vouchers of the insured, and makeextractsfrom the same.

Company may replace.

In case of any loss or damage the company, within sixty days after the insured shall have submitted a statement as provided in the preceding clause, shall either pay the amount for which it shall be liable, which amount, if not agreed upon, shall be ascertained by award of referees, as hereinafter provided, or replace the property with other of the same kind and goodness, or it may, within fifteen days after such statement is submitted, notify the insured of its intention to rebuild or repair the premises or any portion thereof separately insured by this policy, and shall thereupon enter upon said premises and proceed to rebuild or repair the same with reasonable expedition.

It is moreover understood that there can be no abandonment of the property insured to the company, and that the company shall not in any case be liable for more than the sum insured, with interest thereon from the time when the loss shall become payable, as above provided.

If there shall be any other insurance on the property insured, whether prior or subsequent, the insured shall recover on this policy no greater premium of loss, except in case of total loss on buildings, sustained than the sum hereby insured bears to the whole amount insured thereon.

And whenever the companyshall pay any loss, the insured shall assign to it to the extent of the amount so paid, all rights to recover satisfaction for the loss or damage from any person, town or other corporation. excepting other insurers, or the insured, if requested, shall prosecute therefor at the charge and for the account of the company.

If this policy shall be made payable to a mortgagee of the insured real estate, no act or default of any per-

No abandonment. son other than such mortgagee or his agents, or those claiming under him, shall effect such mortgagee's right to recover in case of loss on such real estate.

*Provided*, that the mortgagee shall, on demand, pay Mortgagee to according to the established scale of rates for any assignee to increase of risks not paid for by the insured; and whenever this company shall be liable to a mortgagee for any sum for loss under this policy, for which no liability exists as to the mortgagor, or owner, and this company shall elect by itself, or with others, to pay the mortgagee the full amount secured by such mortgagee, than the mortgagee shall assign and transfer to the companies interested, upon such payment, the said mortgage, together with the note and debts thereby secured.

This policy may be cancelled at any time at the Policy may be cancelled. request of the insured, who shall thereupon be entitled to a return of the portion of the above premium remaining, after deducting the customary monthly short rates for the time this policy shall have been in force.

The company also reserves the right, after giving Company may written notice to the insured, and to any mortgagee to whom this policy is made payable and tendering to the insured a ratable proportion of the premium to cancel this policy as to all risks subsequent to the expiration of ten days from such notice, and no mortgagee shall then have the right to recover as to such risks.

 $\times$  In case of loss, except in case of total loss on buildings, under this policy and a failure of the parties to agree as to the amount of loss it is mutually agreed that the amount of such loss shall be referred to three disinterested men the company and the insured each choosing one out of three persons to be named by the other and the third being selected by the two so chosen; the award in writing by a majority of the referees shall be conclusive and final upon the parties as to the amount of loss or damage, and such referees unless waived by the parties shall be a condition precedent to any right of action in law or equity to recover for such loss; but no person shall be chosen or act as referee, against the objection of either party, who has acted in a like capacity within four months.  $\times$ 

No suit or action against this company for the recov- Limitation of ery of any claim by virtue of this policy shall be sus- action. tained in any court of law or equity in this state unless commenced within two years from the time the loss occurred.

In witness thereof, the said – - company has caused this policy to be signed by the president and

cancel-when.

Arbitrating adjustment.

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attested by its secretary (or by such proper officers as may be designated), at their office in \_\_\_\_\_\_.

Date-----.

When two or more companies (each having previously complied with the laws of this state) unite to issue a joint policy, there may be expressed in the heading of such policy the fact of the severalty of the contract; also the proportion of premium to be paid to each company, and the proportion of liability which each company agrees to assume.

And in the printed conditions of such policy the necessary change may be made from the singular to the plural number, when reference is had to the companies issuing such policy.

SEC. 54. Any insurance company, its officers or agents, or either of them, violating any provisions of this act by making, issuing, delivering or offering to deliver any policy of fire insurance on property in this state, except as herein provided, shall be guilty of a misdemeanor and upon complaint made by the insurance commissioner, or by any citizen of this state shall, upon conviction thereof, be punished by a fine of not less than fifty dollars nor more than one hundred dollars for the first offense, and of not less than one hundred dollars nor more than two hundred and fifty dollars for each subsequent offense; but any policy so made, issued and delivered shall, nevertheless, be binding upon the company issuing the same, and such company shall until the payment of such fine and for the term of one year thereafter be disgualified from doing any insurance business in this state.

SEC. 55. In case of loss, except in case of total loss on buildings under any fire insurance policy, issued on property in this state, and the failure of the parties to agree as to the amount of the loss, if the insurance company shall not, within five days after a written request to appoint one referee under the provisions for arbitration in such policy, name one man under such provision, who shall be a resident of this state and willing to act as such referee, it shall be deemed to have waived the right to an arbitration under such policy, and be liable to suit thereunder, as though the same contained no provision for arbitration as to the amount of loss or damage.

And in case of the failure of two referees, chosen, respectively, by the insurance company and the insured, to agree upon and select within ten days from their appointment, a third referee willing to act in said capacity, either of the parties may within ten days from the expiration of said ten days, make written application,

Penalty for violation of the act.

Adjustinest referees.

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setting forth the facts to the judge of the district court of the county wherein the fire occurred, and said judge shall thereupon make such appointment.

SEC. 56. Whenever any bond, recognizance, obligation or stipulation or undertaking is by law, municipal or otherwise or by the rules or regulations of any board, body or organization or officer, municipal or otherwise required or permitted to be made, given, tendered or filed for the security or protection of any person, persons, corporation, municipality or any department thereof, or any other organization whatever, conditioned for the doing or not doing of anything in such bond, recognizance, obligation, stipulation or undertaking specified, any and all heads of departments, public officers, state, county, town or municipal, and any and all boards, courts, judges, municipalities now or hereafter required or permitted to accept or approve of the sufficiency of any such bond, recognizance, obligation, stipulation or undertaking, may, in the discretion of such head of department, court, judge, public officer or municipality, accept such bond, recognizance, obligation, stipulation or undertaking, and approve the same whenever the same is executed, or the conditions thereof are guaranteed, solely by a corporation authorized under its charter to guarantee the fidelity of persons holding places of public or private trust, to guarantee the performance of contracts, other than insurance. policies, and to execute and guarantee bonds and undertakings required or permitted in actions or proceedings at law, and whenever any such bond, recognizance, obligation, stipulation or undertaking is so required to be made, given, tendered or filed with one surety, or with two or more sureties, the execution of the same, or the guaranteeing of the performance of the conditions thereof, shall be sufficient when executed or guaranteed solely by such company so authorized and admitted to do business in this state, and shall be in all respects a full and complete compliance with every requirement of every law, ordinance, rule or regulation, that such bond, undertaking, recognizance, obligation or stipulation shall be executed or guaranteed by one surety, or by two or more sureties, or that such sureties shall be residents or householders or freeholders or both, and any and all heads of departments, courts, judges, boards, and municipalities, and any and all public officers, state, county, town or municipal, whose duty it may be, or shall hereafter be to accept or approve the sufficiency of any such bond, recognizance, obligation, stipulation or undertaking, may accept and approve the same, when executed or guaranteed solely by such company,

Official Fidelity bonds. so admitted to do business in this state and all such corporations are hereby vested with full power and authority to execute and guarantee such bonds, recognizances, stipulations, obligations or undertakings, whether given under the laws of this state, or of the United States or of any state or country.

The certificate of the commissioner of insurance of this state, to the effect that it appears to his satisfaction from sufficient evidence on file in his office, that the company, corporation or association executing any such bond as surety thereon, or as guarantor thereof, has furnished the same security which is required by law, or regulations of this department, of life insurance companies, under the provisions of sections three hundred and fiftyfive to section three hundred and fifty-eight, inclusive, of chapter thirty-four of the general statutes of eighteen hundred and seventy-eight, which provisions, so far as the same can reasonably apply, are hereby made applicable to all companies, corporations and associations affected by this act, and such sureties shall not be accepted or approved unless such certificate is produced, or a duly certified copy thereof is produced and filed with the officer, board or party approving the same.

SEC. 57. Any receiver, assignee, trustee, committee, guardian, executor or administrator, or other fiduciary required by law to give bond as such, may include as a part of his lawful expenses such reasonable sum paid such a company for such suretyship, not exceeding one per centum per annum on the amount of said bond, as the head of department, court, judge or officer by whom, or the court or body by which he was appointed, allows: and in all actions or proceedings the party entitled to recover costs may include therein such reasonable sum as may have been paid such company for executing or guaranteeing any bond or undertaking therein.

SEC. 58. Any company executing such bond, recognizance, obligation, stipulation or undertaking, and any such surety may be released from its liability on the same terms and conditions as are or may be by law prescribed for the release of individuals upon any such bond, recognizance, obligation, stipulation or undertaking; it being the true intent and meaning of this act to enable corporations created for the purpose to become surety on bonds, recognizances, obligations or undertakings required by law, municipal or otherwise, or the rules or regulations of any court, judge, board, city charter, village town, organization or otherwise.

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Release of Fidelity Insurance Co.

SEC. 69 [59.] Any company which shall execute any Estopped to bond, recognizance, obligation, stipulation or undertak- porate ing as surety under the provisions of this act, shall bees- capacity. topped in any proceeding to enforce the liability which it shall have assumed to incur to denvits corporate power to execute such instrument or assume such liability.

SEC. 60. Companies may be formed in the manner Real Estate provided in this chapter, with a capital of not less than Title Insurance Co's capital, two hundred thousand dollars nor more than one million dollars, for the purpose of examining titles to real estate, of furnishing information in relation thereto, and of insuring owners and others interested therein against loss by reason of incumbrances and defective title.

Such companies shall not be subject to the provisions of this chapter except as regards the manner of their formation and except as follows, to wit: Any such cor- Requirements. poration, before it shall issue any policy or make any contract of guarantee or insurance, shall file with the insurance commissioner a certified copy of the record of its certificate of its organization in the office of the secretary of state, and shall obtain from the insurance commissioner his certificate that it has complied with the laws applicable to it, and is authorized to do business.

Every such corporation shall, on or before the fifteenth day of February of each year file in the office of the insurance commissioner a statement such as he may require of its condition and of its affairs for the vear ending on the preceding thirty-first day of December, signed and sworn to by its president or secretary or treasurer, and of one of its directors, and for neglect to file such annual statements or for making 'a wilfully false statement, shall be liable to the same penalties as are imposed upon other insurance companies.

The insurance commissioner shall have the same power and authority to visit and examine such corporations as he has in the case of other domestic insurance companies, and the duties and liabilities of such corporations and their agents in reference to such examination shall be the same as those of other domestic insurance companies so far as the same are applicable.

SEC. 61. Every such corporation shall set apart a Guaranty fund sum of not less than two fifths of its capital, and not 1897 c 62 less than one hundred thousand dollars in any case as a guaranty fund and shall invest the same in the securities in which domestic insurance companies may invest their capital, and shall issue no policy and make no contract of guaranty or insurance until such sum is so set apart and invested.

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The principal of such guaranty fund shall be a trust for the protection of policyholders and shall be applied only to the payment of losses and expenses incurred by reason of the guaranty or insurance contracts of the corporation.

Whenever the corporation shall increase its capital, two-fifths, as a sufficient part of the increase shall be set a part and duly invested and added to the guaranty fund so that such fund shall always be not less in amount that two-fifths of the entire capital.

Whenever by reason of losses or other cause the guaranty fund is less than two-fifths of the capital, the company shall make no further contract of guaranty or insurance until the fund is made good.

SEC. 62. Any corporation heretofore organized under or confirmed by the provisions of chapter one hundred and thirty-five of the general laws of 1887 shall, upon complying with the provisions of chapter one hundred and seven of the general laws of 1883, as amended by chapter three of the general laws of 1885, as amended by this act, or as the same may be hereafter amended, be subject to the provisions of said laws of 1883, as amended by said laws of 1885, and this act, as aforesaid, or as the same may be hereafter amended, and entitled to all the rights, privileges and franchises thereby conferred.

SEC. 63. All corporations, associations, partnerships or individuals doing business in this state under any charter, compact agreement or statute of this or any state, except as provided in section three, involving the payment of money or other things of value to families or representatives of policy and certificate holders or members conditioned upon the continuance or cessation of human life, or involving an insurance guaranty, contract or pledge for the payment of endowments or annuities shall be deemed to be life insurance companies, and shall not make any such insurance guaranty, contract or pledge in this state, or to or with any citizen or resident thereof, which does not distinctly state the amount of benefits payable, the manner of payment and the consideration therefor, nor the performance of which is contingent upon the payment of assessments made upon survivors.

SEC. 64. No life insurance company, after notice as provided in sections seven and nine, shall issue new policies under its authority to do business in this state until its funds have become equal to its liabilities and it has complied with the laws as provided in said sections and has obtained a certificate to that effect,

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Certificate.

with license to resume business, from the insurance commissioner.

SEC. 65. A company organized under the laws of Foreign comany other of the United States for the transaction of life insurance may be admitted to do business in this state, *provided*: it has the requisite funds of a life insurance company and in the opinion of the commissioner is in sound financial condition and has policies in force upon not less than one thousand lives for an aggregate amount of not less than one million dollars.

Any such company organized under the laws of a Deposit. state or government other than of the United States, in addition to the above requirements, must have and keep on deposit or in the hand of trustees, as provided in sections seventy nine and eighty-one in exclusive trust for the security of its contracts with policyholders in the United States, funds of an amount equal to the net value of all its policies in the United States and not less than one hundred thousand dollars.

SEC. 66. No life insurance company doing business in Minnesota shall make or permit any distinction or discrimination in favor of individuals between insurants of the same class and equal expectation of life in the amount of payments or premiums, or rates charged for policies of life or endowment insurance, or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of the contract it makes; nor shall any such company, or an agent thereof, make any contract of insurance, or agreement, as to such contract, other than is plainly expressed in the policy issued thereon; nor shall any such company or agent pay or allow, or offer to pay or allow any inducement to insurance, any rebate or premium payable on the policy, or any special favor or advantage in the dividends or other benefits to accrue thereon or any valuable consideration or inducement whatever not specified in the policy contract of insurance.

Every corporation which shall violate any of the pro- Penalty. visions of this section shall be fined in any sum not less than five hundred dollars nor exceeding one thousand dollars, to be recovered by action in the name of the state, and the amount so recovered shall be paid into the county treasury in the county where such offence was committed for the benefit of the common school fund.

Every officer, agent sub-agent or solicitor of any such corporation, who shall violate any of the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be fined in any sum not less than five hundred dollars nor more than

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Annual statement. one thousand dollars, and shall pay the cost of prosecution.

It shall be the duty of the insurance commissioner, upon being satisfied that any such corporation, or any agent thereof, has violated any of the provisions of this section, to revoke the license of the company or agent so offending, and no license shall be granted to such company, or agent, for one year after such revocation.

SEC. 67. No life insurance company shall make any distinction or discrimination between white persons and colored persons wholly or partially of African descent, as to the premiums or rates charged for policies upon the lives of such persons; nor shall any such company demand or require greater premiums from such colored persons than are at that time required by such companies from white persons of the same age, sex, general conditions of health and prospect of longevity, nor shall any such company make or require any rebate, diminution or discount upon the amount to be paid on such policy in case of the death of such colored person insured, nor insert in the policy any condition, nor make any stipulation whereby such person insured shall bind himself or his heirs, executors, administrators and assigns to accept any sum less than the full value or amount of such policy in case of a claim accruing thereon by reason of the death of such person insured, other than such as are imposed upon white persons in similar cases, and any such stipulation or condition so made or inserted shall be void.

Any such company which shall refuse the application of any such colored person for insurance upon such colored person's life shall furnish such person, on his request therefor, with the certificate of some regular examining physician of such company who made the examination, stating that such refusal was not because such applicant is a person of color, but solely upon such grounds of the general health and prospect of longevity of each person as would be applicable to white persons of the same age and sex.

SEC. 68. Every insurance company doing business in Minnesota shall report in its annual statement the amount of forfeitures for the last year and undivided surplus, or lapsed or terminated policies, which it holds for or which is to accrue to the benefit of any class of its policyholders, whether or not dividends thereof have been declared or allotment made, and whether or not liable for obligations of the company until distribution thereof is made; also the amount of surplus, not ordered to be distributed and not included in the annual statement as dividends due policyholders, and not appropriated to the permanent safety fund under the provisions of section seventy-five, accured from and contributed by its policies in force.

SEC. 69. Every life insurance company doing busi- Actuary-fees. ness in this state shall annually pay to the actuary valuing the same, as compensation for the valuation of its policies, one cent on every thousand dollars insured by it on lives.

SEC. 70. No domestic life insurance company shall Reinsurance. reinsure its risks except by permission of the insurance commissioner; but may reinsure not exceeding one-half of any individual risk.

SEC. 71. When a policy of insurance is affected by Beneficiaries. any person on his own life, or on another life in favor of some person other than himself having an insurable interest therein, the lawful beneficiary thereof, other than himself or his legal representatives, shall be entitled to its proceeds, against the creditors and representatives of the person effecting the same; and a person to whom a policy of life insurance, hereafter issued, is made payable may maintain an action thereon in his own name. *Provided*, that subject to the statute of limitation, the amount of any premiums for said insurance paid in fraud of creditors, with interest thereon, shall inure to their benefit from the proceeds of the policy, but the company issuing the policy shall be discharged of all liability thereon by payment of its proceeds in accordance with its terms, unless, before such payment, the company shall have written notice by or in behalf of some creditor, with specification of the amount claimed, claiming to recover for certain premiums paid in fraud of creditor.

Every policy of life insurance made payable to or for the benefit of a married woman, or after its issue assigned, transferred, or in any way made payable to a married woman, or to any person in trust for her benefit, whether procured by herself, her husband or any other person, and the assignment or transfer is made by her husband, or any other person shall inure to her separate use and benefit, and to that of her children, subject to the provisions of this section relating to premiums paid in fraud of creditors, and provided, further, that all such policies may be surrendered in the manner described by section seventy-six of this act, which section shall apply to the same. In any claim arising under a policy which has been issued in this state by any life insurance company without previous medical examination, or without the knowledge and consent of the insured, and in case said insured is a minor, without the consent of the parent,

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guardian, or other person having legal custody of said minor, the statements made in the application as to the age, physical condition and family history of the insured shall be held to be valid and binding upon the company, *provided*, however, that the company shall not be debarred from proving as a defense to such claim that said statements were willfully false, fraudulent or misleading; and *provided*, *further*, that every policy which contains a reference to the application of the insured, either as a part of the policy or as having any bearing thereon, must have attached thereto a correct copy of the application.

SEC. 72. Any solicitor, agent, examining physician, or other person who shall knowingly or wilfully make any false or fraudulent statement or representation in or with reference to any application for insurance, or who shall make any such statement for the purpose of obtaining any fee, commission, money, or benefit in any corporation transacting business under this act, shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine of not less than one hundred nor more than five hundred dollars, or imprisonment in the county jail for not less than thirty days nor more than one year, or both, at the discretion of the court; and any person who shall wilfully make a false statement as to the death or disability of a policy or certificate holder in any such corporation, for the purpose of procuring payment of a benefit named in the certificate of such holder, shall be guilty of perjury, and shall be proceeded against and punished as provided by the statutes of this state in relation to the crime of perjury. After the first day of October, in the year eighteen hundred and ninety-five, no life insurance company transacting business under this act shall issue any policy to a resident of this state which does not bear in bold letters upon its face a plain description of the policy, so fully defining its character, including dividend periods and other particulars, that the holder thereof shall not be liable to mistake the nature or scope of the contract.

SEC. 73. Every person insured by a domestic mutual life insurance company shall be a member, entitled to one vote, and one vote additional for each five thousand dollars of insurance in excess of the first five thousand dollars, and shall be notified of its annual meetings by a written notice, or by an imprint in the form prescribed in section thirty-eight, upon the back of each policy, receipt, or certificate of renewal. Members may vote by proxies dated and executed within three months and returned and recorded on the

False state ments.

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Definite contract.

Mutual Life Insurance Co's.

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Members--vote--,iroxies. books of the company seven days or more before the meeting at which they are to be used, but no person shall be allowed as proxy or otherwise to cast more than one hundred votes, and no officer shall himself, or by another, ask for, receive, procure to be obtained or use a proxy vote.

SEC. 74. Every insurance company doing business in this state must transmit to the insurance commissioner a statement of its condition and business for the year ending on the 31st day of December. Said statement must be published in the English language at least three times in a daily or weekly newspaper of general circulation printed and published in the English language in either Hennepin or Ramsey county in this state, and having a bona fide circulation of two thousand copies or more, or in the county where the state agency of such insurance company is located. Statements for publication shall be made out on blanks furnished by the insurance commissioner, and under his direction, and the insurance commissioner's certificate of authority to do business in this state shall be published in connection with said statement of each company doing business in this state. Proof of publication, to wit: the printer's affidavit of the fact shall be filed with the insurance commissioner in all cases. In case such statement is not published by the company or its agent, and proof of publication filed as required within sixty days from the date of filing the statement with the insurance commissioner, it shall be the duty of the insurance commissioner to have the same published as provided in this section, and collect the cost of said publication by the company.

SEC. 75. It is unlawful for any domestic insurance Limitation as company in this state to purchase, hold or convey real estate. estate anywhere, and for any other insurance company to purchase, hold or convey real estate within this state, except of the kind and in the manner and time following:

1. Such as it has heretofore acquired or may hereafter acquire within any incorporated city for purpose of improvement; or

2. Such as shall have been mortgaged to it in good faith by way of security for loans previously contracted or for money due; or

Such as shall have been conveyed to it in satisfac-3. – tion of debts previously contracted in the course of its dealings; or

4. Such as shall have been purchased at sales upon judgments, decrees or mortgages obtained or made for such debts.

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Real estate lawfully acquired as aforesaid under subdivisions 2, 3 and 4 hereof, except such as has been heretofore or may be hereafter acquired within an incorporated city under said subdivisions, shall be disposed of within five (5) years after the company acquired title to the same, unless the company procures a certificate from the insurance commissioner that the interests of the company will suffer materially by a forced sale thereof, and extending the time of the sale to a period fixed in said certificate.

SEC. 76. Foreign insurance companies, upon complying with the conditions herein set forth applicable to such companies, may be admitted to transact in this state by constituted agents resident therein any class of insurance business authorized by the laws of this state, subject to all general laws now or hereafter in force relative to the duties, obligations, prohibitions and penalties of insurance companies, and subject to all laws applicable to the transaction of such business by foreign insurance companies and their agents; *provided* that no provision of law which by its terms applies specially to domestic life insurance companies, shall thereby become applicable to foreign life insurance companies.

SEC. 77. No foreign insurance company shall be so admitted and authorized to do business until: It shall deposit with the insurance commissioner a certified copy of its charter or articles of incorporation and a statement of its financial condition and business, in such form and detail as he may require, signed and sworn to by its president and secretary or other proper officer and shall pay for the filing of such copy the sum of thirty dollars, and for the filing of such statement the sum of twenty dollars.

Second—It shall satisfy the insurance commissioner that it is fully and legally organized under the laws of its state or government to do the business it proposes to transact; that it has, if a stock company, a fully paid up and unimpaired capital, exclusive of stockholders' obligations of any description, of an amount not less than is required of similar companies formed under the provisions of this act, and, if a mutual company, other than life, that it has net cash assets equal to the capital required of like companies on the stock plan; that such capital or net assets are well invested and immediately available for the payment of losses in this state; and that it insures on any single hazard a sum no larger than one-twentieth of its capital and surplus, if engaged in life, fire or marine insurance and except that if it be a company legally transacting business of fire insurance under the laws of some other state of the

Foreign Insurance Co's.

Filing chartor and statement.

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Requirements.

United States, it shall be so admitted and authorized to do business in this state upon the filing with the insurance commissioner of evidence of that fact together with a sworn statement of its financial conditionshowing that it has on its books no less than seven hundred and fifty thousand dollars of insurance in force on which the premium has been paid, covering no less than three hundred separate risks, and is in possession of cash assets to pay all losses incurred and to provide for a reinsurance reserve as required by section 11 of this act.

Third—It shall by a duly executed instrument filed in his office constitute and appoint the insurance commissioner or his successor its true and lawful attorney upon Insurance comwhom all lawful processes in any action or legal proceedings against it may be served and therein shall agree that any lawful process against it which may be served upon its said attorney shall be of the same force and validity as if served upon the company, and that the authority thereof shall continue in force irrevocable so long as any liability of the company remains outstanding in this state.

The service of such process shall be made by leaving service of the same in the hands or office of the commissioner. Copies of such instrument certified by the commissioner shall be deemed sufficient evidence thereof and service upon such attorney shall be deemed sufficient service upon the principal.

Fourth-It shall appoint as its agent or agents in Appointment this state some resident or residents thereof.

Fifth-It shall obtain from the insurance commissioner certificate. a certificate that it has complied with the laws of this state and is authorized to make contracts of insurance.

SEC. 78. Such foreign company, if incorporated or associated under the laws of any government or state other than the United States or one of the United States. shall not be admitted until, besides complying with the conditions of seventy-eight, it has made a deposit Deposit. with the treasurer of this state, or with the financial officer of some other state of the United States of a sum not less than the capital required of like companies under this act. Such deposit must be in exclusive trust for the benefit and security of all the company's policyholders and creditors in the United States and may be made in the securities but subject to the limitations specified in section thirty-two of this act, and such deposit shall be deemed for all purposes of the insurance laws the capital of the company making it.

SEC. 79. No foreign insurance company hereafter May engage in admitted to do business in this state shall be authorized of insurance. to transact more than one class or kind of insurance 28

missioner attorney in fact.

process.

therein. But any company, domestic or foreign, engaged in this state in the sole business of life insurance may, in connection therewith, also engage in the business of insuring against bodily injury or death by accident, by increasing its capital to the amount now required of two separate companies engaged in either one of these two classes of business; and no company now or hereafter admitted shall be allowed to transact both of said classes of business unless it possesses an aggregate capital equal to that required of two separate companies engaged in either one of these classes of business. Fire insurance companies may, however, do either a tornado, cyclone, windstorm and hail or a marine or inland navigation business, or both or any of said classes of insurance. Any company organized to do an insurance business other than life, fire and marine, may also engage in other classes of insurance (except life, fire and marine), provided it has an aggregate capital and surplus of at least three hundred thousand dollars.

SEC. 80. Any admitted company of a foreign coun-

try may appoint trustees who are citizens of the

United States and approved by the insurance commis-

Trustees of Insurance Co's of foreign countries.

Revoking license.

Insuring with unauthorized companies. sioner to hold funds in trust for the benefit of its policy holders and creditors in the United States. Said trustees here shall be named by the directors of the company and a certified copy of the records of the appointment of such trustees and of the deed of trust shall be filed in the office of the insurance commissioner, who may examine such trustees and the assets in trust and all books and papers relating thereto in the same manner that he may examine the officers, agents, assets and affairs of insurance companies. The funds so held by such trustees, so far as the same are in securities, money or credits admissible as sound assets in the financial accounts of insurance companies, shall, together with the deposits made in accordance with section seventy-nine, constitute the assets of such company as regards its policyholders and creditors in the United States. SEC. 81. The authority of a foreign insurance company, other than life, may be revoked if it shall violate or neglect to comply with any provisions of law obligatory upon it, and whenever in the opinion of the insur-

or neglect to comply with any provisions of law obligatory upon it, and whenever in the opinion of the insurance commissioner its condition is unsound, or its assets above its liabilities, exclusive of capital and inclusive of unearned premiums estimated as provided in section eleven, are less than ninety per cent of the amount of its capital or required unimpaired funds.

SEC. 82. Nothwithstanding any other provision of this act, it shall be lawful for any person to obtain

insurance in foreign companies not authorized to do business in this state, and it shall be lawful for such foreign companies to issue policies upon property situate in this state, but only in the manner provided in this section, Any person who desires the right to obtain such insurance, either on his own property or on the property of a firm or corporation in which he is interested, shall apply to the insurance commissioner for a license and file with him a bond as hereinafter provided, thereupon the commissioner shall issue to said applicant a license good for one year, authorizing him to procure for himself, or his firm or corporation, such outside insurance. And all insurance procured or issued under said license shall be lawful and valid, and all provisions in such policy of insurance relating to co-insurance, or other insurance, shall be construed and held to be in accordance with the standard policy by this act prescribed any provisions in such policy of insurance to the contrary notwithstanding; and nothing in this act shall be construed as preventing or abridging the right of any company issuing such insurance to enter this state for the purpose of inspecting the property insured, adjusting any loss or performing any act necessary or proper to the right conduct of its business and all matters pertaining thereto. But provided that the bond of said applicant shall be in such reasonable sum as the insurance commissioner shall determine, with sureties residing in this state, who, shall satisfy the commissioner of their responsibility; the bond shall be approved by the commissioner, filed in his office, run to him for the use and benefit of the State of Minnesota, and conditioned that the applicant will comply with this section, and pay forthwith on the expiration of said license to the said insurance commissioner for the State of Minnesota a tax of two per centum upon the net premiums paid by such licensee, or his said firm or corporation. And such bond may be sued and enforced by said commissioner in his own name in any court having jurisdiction. Each person so licensed shall keep a separate accurate account of all business done under such license, and shall, on the thirty-first day of December, and the thirtieth day of June of each year file with the insurance commissioner a sworn statement of the aggregate premiums paid and return premiums received for and under such policies.

SEC. 83. Foreign companies admitted to do busi- Hostilities no ness in this state shall make contracts of insurance upon lives, property or interests therein only by lawfully constituted and licensed resident agents. No policy of

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insurance issued to a citizen of this state by an authorized company organized under the laws of a foreign country shall be invalidated by the occurance of hostilities between such foreign country and the United States. Whenever any company negotiating insurance effects a reinsurance of any part thereof, otherwise than through licensed resident agents, the entire tax thereon shall be paid by the original insuring company, and the insurance commissioner shall make no deduction on account of such reinsurance.

SEC. 84. When, by the laws of any other state or nation, any taxes, fines, penalties, licenses, fees, additional to or in excess of those imposed by the laws of this state upon foreign insurance, companies and their agents, are imposed on insurance companies of this state and their agents doing business in such state, the same taxes. fines, etc., shall be imposed upon all insurance companies of such state and their agents doing business in this state so long as such laws remain in force. Provided, that any insurance company of any other state or nation doing business in any city of this state wherein there is a duly incorporated board of underwriters, that has organized a salvage corps as provided by statute and such insurance companies or its agents are not subject to taxation for the equipment and maintenance of said salvage corps under this section then such insurance company or companies shall be subject to a tax equal to 2% per cent on the gross amount of the premiums received by said company in such city. which sum shall be payable to the treasurer said board of underwriters and shall be by said board of underwriters used solely for the equipment and maintenance of said salvage corps, and such tax shall be in addition to all taxes, penalties, licenses and fees provided in this act to be paid to the state of Minnesota by such insurance companies or their agents.

SEC 85. Associations of individuals, citizens of the United States, whether organized within this state or elsewhere within the United States, formed upon the plan known as Lloyd's, whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy, may be authorized to transact insurance other than life in this state in such manner and on such terms as the insurance commissioner may direct, providing that if such organization shall be possessed of cash on hand and guarantee subscriptions of the underwriters after deducting all liabilities except reinsurance reserve, of a sum not less than \$50,000, and that the net cash on hand shall be equal to the reinsurance reserve calculated on a basis of

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- Sec. 85
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50 per cent of the premiums in force, and that evidence shall be furnished to the insurance commissioner that the underwriters are men of good financial standing, responsible for their obligations, and that the organization does not issue policies of insurance on any one risk in greater sums than one-fifth of the aggregate of the subscriptions of the several underwriters or the amount to which they may become liable, the commissioner shall license them under similar requirements as are made and prescribed in this act for the admisssion of foreign mutual fire insurance companies so far as the same may reasonably apply.

SEC. 86. Any officer of, or person appointed as its same. agent for that purpose by a domestic insurance company, or acting without compensation, may, without other qualification, act in the negotiation and transaction with such company of any insurance which such company may lawfully do.

SEC. 87. An insurance agent shall be personally lia- Agents liable for writing ble on all contracts of insurance unlawfully made by or unauthorized through him, directly or indirectly, for or in behalf of insurance. any company not authorized to do business in this state.

SEC. 88. An insurance agent or broker who acts for Agents-who a person other than himself in negotiating a contract of insurance by an insurance company shall, for the purpose of receiving the premium therefor be held to be the company's agent, whatever conditions or stipulations may be contained in the policy or contract; such agent or broker knowingly procuring by fraudulent representations payment or an obligation for the payment of a premium of insurance shall be punished by Punishment. fine of not less than twenty-five dollars nor more than two hundred and fifty dollars, or by imprisonment for not more than one year.

SEC. 89. No officer or agent of foreign insurance com- Agents to be pany shall make or procure to be made, or act or aid in any manner in the negotiation of, any insurance with such company until he shall procure from the insurance commissioner a certificate of authority so to do, which shall state in substance that the company is authorized to do business in this state, and that the person named therein is the constituted agent of the company for the transaction of such business. Upon written notice by such company of its appointment of a suitable person to act as its agent within this state, and the payment of a fee of one dollar, the insurance commissioner shall, if the facts warrant it, grant such certificate. Such certificate shall continue in force until the first day of March next after its issue, and by renewal thereof

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on the annual payment for such renewal of a fee of one dollar before the first day of March of each year, until revoked by the commissioner for non-compliance with the laws, or until the appointment of the agent is revoked by written notice from the company to that effect filed with the insurance commissioner. While such certificate remains in force the company shall be bound by the acts of the person named therein within his apparent authority as its acknowledged agent.

SEC. 90. Every person acting for a foreign insurance company shall exhibit in conspicuous letters, on the sign designating his place of business, the name of the state or country under whose authority the company he represents has been incorporated or formed. And said company and agent shall have also printed in large type the name of such state or country and the kind of office whether chartered, or incorporated, or formed as a mutual or stock company, upon all policies issued to citizens of this state, on allcards, placards and pamphlets, and in all advertisements published, issued or circulated in this state by them or him, relating to the business of such company.

SEC. 91. Whoever for compensation acts or aids in any manner in negotiating contracts of insurance or reinsurance or placing risks or effecting insurance or reinsurance for a person other than himself, and not being the appointed agent or officer of the company in which such insurance or reinsurance is effected, shall be deemed an insurance broker, and no person shall act as such insurance broker save as provided in this section. The insurance commissioner may upon the payment of a fee of ten dollars issue to any person a certificate of authority to act as an insurance broker to negotiate contracts of insurance or reinsurance or place risks or effect insurance or reinsurance with any qualified domestic insurance company or its agents and with the authorized agents in this state of any foreign insurance company duly admitted to do business in this state. Such certificate shall remain in force for one year unless revoked by the commissioner for cause. Such cause shall exist upon conviction of the holder of such certificates of a violation of the insurance laws, and whenever it shall appear to the commissioner upon due proof after notice that the holder has unreasonably failed and neglected to pay over to the company or agent entitled thereto any premium or part thereof collected by him on any policy of insurance, the commissioner shall publish such revocation in such manner as he deems for the protection of the public.

Name of state or country when incorporated to be posted and printed.

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SEC. 92. The insurance commissioner of this state, in Insurance Comhis official capacity, shall take and hold in trust deposits hold deposit. made by any domestic insurance company for the purpose of complying with the laws of any other state to enable such company to do business in such state; and shall also, in like manner, take and hold any deposit made by a foreign insurance company under any law of this state. The company making such deposit shall be entitled to the income thereof, and may from time to time, with the consent of the insurance commissioner, when not forbidden by the law under which the deposit is made, change in whole or part the securities which compose the deposit for other competent securities of equal par value. Upon request of any domestic insurance company the said insurance commissioner may return to such withdrawal of company the whole or any portion of the securities of such company held by him on deposit, when he shall be satisfied that the securities so asked to be returned are subject to no liability and not required to be longer held by any provision of law or purpose of the original deposit. And he may return to the trustees or other representative authorized for that purpose of a foreign insurance company, any deposit made by such company when it shall appear that such company has ceased to do business in this state or in the United States, and that such company is not subject to any liability in this state, for whose benefit such deposit was made.

An insurance company which has made such deposit suit to termi-or its trustees or resident manager in the United States, trust. or the insurance commissioner or any creditor of such company may at any time bring in the district court for the county of Rainsey a suit in equity against this state and other parties properly joined therein, to enforce, administer or terminate the trust created by such deposit. The process in such suits shall be served upon the insurance commissioner of this state, who shall appear and answer in its behalf and perform such orders. and decrees as the court may make thereupon.

SEC. 93. The compensation of receivers of insolvent Receivers of insurance companies shall be fixed by the district court. All accounts rendered to the court by such receivers Fees. shall be referred to the insurance commissioner for his examination and report thereon. Such receivers, at the expiration of one year from final settlement ordered by . the court, or if they then have in their hands for distribution or deposit moneys or dividends uncalled for, when the same shall be paid into the treasury of the state and their final account allowed by the court, shall deposit with the insurance commissioner, together with

securities.

insolvent Insurance Co's. Filing annual sta tement. all papers and records relating to their receiverships, all books and papers of such insolvent company.

SEC. 94. Every fire insurance company shall annually, on or before the first day of February, and every other company shall annually on or before the fifteenth day of February, file in the office of the insurance commissioner a statement which shall exhibit its final condition on the thirty-first day of December of the previous year and its business of that year. For good cause shown the commissioner may extend the time within which any such statement may be filed, but not to a date later than the first day of March. Every such annual statement shall be in the form of the specifications the insurance commissioner may require. Such statement shall be subscribed and sworn to by the president and secretary, or in their absence, by two of its principal officers. The annual statement of a company, of a foreign country other than lifeinsurance company, shall embrace only its business and condition in the United States, and shall be subscribed and sworn to by its resident manager or principal representative in charge of its American business. For filing each annual statement, each foreign companv shall pay the sum of twenty dollars. The transaction of any new business by any company or its agents after neglect to file a statement in the manner herein provided shall be unlawful.

SEC. 95. Whenever a judgment for the recovery of money has heretofore been, or hereafter may be recovered in any of the courts of this state, or in any of the courts of the United States having jurisdiction in this state, against any insurance company or against any association, partnership, firm or individual engaged in the business of insurance, and holding a certificate of authority therefor from the state treasurer, under the laws of the state, or from the insurance commissioner under this act, and an execution thereon is issued and duly returned unsatisfied in whole or in part, proof is made by any person by filing with the insurance commissioner a certified transcript of the docket of such judgment, together with the certificate of the clerk of the court in the county where the judgment roll in said action is filed and the judgment therein is docketed, that an execution has been issued on such judgment to the proper officer of such county and returned unsatisfied in whole or in part, and with the date of issuing and return, the insurance commissioner, shall forth with revoke all authority or license for the transaction of any kind of insurance business within this state conferred upon such insurance company, association, part-

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Revoking authority on execution returned unsatisfied. nership, firm or individual under the provisions of this act, and shall withhold therefrom any new certificate of authority such as is contemplated herein, until such judgment is docketed against such company association, partnership, firm or individuals wholly paid and satisfied, and proof thereof filed with such commissioner by the official certificate of the clerk of the court in the county wherein the judgment roll is filed and judgment docketed, showing that the same is satisfied of record, and until the expenses and fees incurred in the case under the provisions of this title are also paid by such company, association, partnership, firm or individual; and the insurance commissioner shall also for thwith cause notice of such revocation of authority to the published in some daily newspaper printed and published at the capital of the state, for at least one week; and during the time such authority or license remains so revoked, it shall be unlawful for the company association or partnership, firm or individual holding such revoked certificate of authority, or any of its agents or officers, to issue or renew any policies of insurance take any risks, or transact any business relating to insurance except such as is absolutely necessary in closing up its affairs in this state.

SEC. 96. All insurance companies organized under Tax of foreign the laws of any other state or nation doing business in this state, shall, annually pay to the state two per cent on all premiums received in cash and other obligations (except what are denominated insurance deposit notes, representing dividends of the company and the assessable premium notes of mutual fire insurance companies) in this state, by their agents or otherwise, during the year ending on the preceding thirty-first day of December, which sum shall be in lieu of all other taxes to be collected from said companies in this state, except upon the real or personal property owned by said companies in this state, which shall be taxed the same as like property owned by individuals, and not otherwise; and all insurance companies chartered by the territory Tax of door state of Minnesota, or organized under the general laws of the state, shall pay to the state two percenton their premium receipts in this state, and shall also pay taxes and assessments upon real estate owned by them within the state, in like manner and in like amount as real estate owned by individuals is taxed and assessed and no additional taxes shall be collected of such companies other than the fees provided by law. In case of the refusal of any insurance company to pay such tax, the insurance commissioner shall at once revoke its authority to do business in this state, and shall not re-

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new the same while said tax remains a charge against said company.

SEC. 97. No company in this state other than fire, marine, or fire and marine, hail, farmers' mutual or real estate title insurance companies, shall do business in this state unless it has on deposit with the insurance commissioner of this state a security for all its policyholders stocks or bonds of this state, or of the United States, or bonds of any of the municipalities of this state, or personal obligations secured by first mortgage on real estate within this state, worth exclusive of buildings, the amount of the lien and bearing interest of not less than three per cent per annum, to an amount the actual market value of which, exclusive of interest, shall never be less than one hundred thousand dollars; which stocks, bonds or mortgages shall be retained by the insurance commissioner and disposed of as directed by law.

*Provided*, however, that the deposit of mortgages on real estate shall not exceed the amount of fifty thousand dollars. As long as any policies of the depositing company, remain, in force, the insurance commissioner shall hold the said deposit as security for all holders of its policies. Provided, any insurance company of any other state of the United States, in which the provisions of law contained in this act shall be in force, may file with the insurance commissioner of this state a certificate of the insurance commissioner of such other state, that as such officer he hold in trust and on deposit for the benefit of all the policyholders of such company, the deposit above described, stating the items of the securities so held and that he is satisfied that such securities are worth one hundred thousand dollars. No deposit, shall be required in this state while the said deposit so certified remains.

SEC. 98. Nothing in this act contained shall be construed to repeal chapter eighteen of the laws of eighteen hundred and seventy-six relating to the acquiring of safety funds by fire insurance companies.

SEC. 99. Nothing in this act contained shall be construed to repeal chapters one hundred and eighty-five and one hundred and eighty-six of the laws of eighteen hundred and eighty-five, relating to hail, tornado, cyclone and hurricane insurance companies.

SEC. 100. The person if other than the insurance commissioner or his deputy, upon whose complaint a conviction is had for violation of the law prohibiting insurance in or by foreign companies not authorized to do business in this state, shall be entitled to one-half of the fine recovered upon sentence therefor.

Chap. 18 G. L. 1876 in force.

Chap. 185 and 186 G. L. 1885 in force.

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SEC. 101. Any person who shall assume to act as an Penalty for insurance agent or insurance broker, without license agent or broker to viotherefor as herein provided, or who shall act in any late law. manner in the negotiation or transaction of unlawful insurance with a foreign insurance company not admitted to do business in this state, or who as principal or agents shall violate any provision of this act in regard to the negotiation or offering of contracts of insurance, shall be punished by a fine of not less than twenty-five nor more than five hundred dollars for such offense.

SEC. 102. Any person licensed under the provisions Penalty for of section eighty-two who shall procure or act in any violating See. manner in the procurement or negotiation of insurance in any authorized foreign company and shall neglect to make and file the affidavits and statements as such section provides, or shall willfully make a false affidivit or statement, shall forfeit his license and be punished by a fine of not less than twenty-five dollars nor more than five hundred dollars, or by imprisonment for not more than one year, or by both.

SEC. 103. Any company or any agent thereof issuing same, Sec. 17. or circulating advertisements in violation of section seventeen shall be punished by a fine of not less than twenty-five nor more than five hundred dollars.

SEC. 104. Any company that neglects to make and sume, sec. 95. file its annual statement in the form and within the time provided by section ninety-five shall forfeit one hundred dollars for each day's neglect, and upon notice by the insurance commissioner to that effect its authority to do new business shall cease while such default continues.

For willfully making a false annual or other statement it is required by law to make, an insurance company and the persons making oath to or subscribing the same shall severally be punished by a fine of not less than one hundred nor more than five thousand dollars. Any person making oath to such false statement shall be deemed guilty of the crime of perjury.

SEC. 105. For making any reinsurance in violation Same, Sec. 19. of section nineteen, an insurance company and the agent effecting or acting in the negotiation of such reinsurance shall severally be punished by a fine of five hundred dollars.

SEC. 106. Any officer or agent of a life insurance Same, Sec. 64. company who shall issue a new policy, after notice by the commissioner, in violation of section sixty-four, shall for each offense forfeit a sum not exceeding one hundred dollars.

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shall make, issue or deliver a policy of fire insurance in willful violation of section fifty-three, shall forfeit for each offense not less than fifty nor more than two hundred dollars; but such policy shall nevertheless be bind-

Sec. 108. Any director or other officer of a mutual fire insurance company, who either officially or privately

gives a guarantee to a policyholder thereof against an assessment to which such policyholder would otherwise be liable, shall be punished by a fine not exceeding one

ing upon the company issuing the same.

Any insurance company or agent who

Same, Sec. 53.

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SEC. 107.

Penalty for immunity from assessment.

Penalty for violating Secs. 37 and 73.

Same, Sec. 6.

hundred dollars for each offense. SEC. 109. Any paid officer or agent of a domestic mutual insurance company who shall ask for, receive procure to be obtained or use a proxy vote in violation of section thirty-seven or section seventy-three shall be punished for each offense by a fine of not less than fifty nor more than three hundred dollars.

SEC 110. Whoever, without justifiable cause, neglects upon due summons to appear and testify before the commissioner as provided in section six, and whoever obstructs the commissioner, his deputy or examiner, in his examination of an insurance company, shall be punished by a fine of not more than one thousand dollars or by imprisonment for not more than one year.

SEC. 111. Any life company or officer or agent thereof violating any of the provisions of section sixty-seven shall be punished by a fine of not more than one hundred dollars for each offense.

SEC. 112. For violation of any provision of this act, the penalty whereof is not specifically provided for herein, the offender shall be punished by a fine of not more than five hundred dollars.

SEC. 113. Compliance with the provisions of section eighty-four as to deposits, obligations and prohibitions, and the payment of taxes, fines, fees and penalties by and upon foreign insurance companies may be enforced in the ordinary course of equity procedure by information brought in a district court by the attorney general at the relation of the insurance commissioner.

SEC. 114. An insurance agent or broker who acts in negotiating a contract of insurance by an insurance company lawfully doing business in this state, and who embezzles or fraudulently converts to his own use, or, with intent to use or embezzle, takes, secretes or otherwise disposes of, or fraudulently withholds, appropriates, lends or invests or otherwise uses or applies any money or substitute for money received by him as such agent or broker, contrary to the instructions, or with-

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out the consent of the company, for or on account of which the same was received by him, shall be deemed guilty of larceny.

SEC. 115. The provisions of this act, so far as they Effect of this are the same as those of existing laws, shall be construed as a continuation of such laws and not as new enactments; and the repeal by this act of any provision of law shall not affect any act done, liability incurred, or any right accrued and established, or any suit or prosecution, civil or criminal, pending or to be instituted to enforce any right or penalty, or punish any offense under the authority of the repealed laws; and any person who at the time when said repeal takes effect holds office under any of the laws repealed, shall continue to hold such office according to the tenure thereof, unless such office is abolished or a different provision is herein made.

SEC. 116. All acts and parts of acts inconsistent herewith are hereby repealed.

SEC. 117. This act shall take effect and be in force To take effect from and after twelve o'clock noon on the first day of <sup>October 1, 1895, 12 M.</sup> October, 1895.

Approved April 25, 1895.

CHAPTER 176.

An act to allow town insurance companies to change Town Insurthe location of the business office of said companies.

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

SECTION 1. Any town insurance company heretofore May change or hereafter organized under the laws of this state may. at any regular annual meeting of its members, or at any special meeting called for that purpose by a majority vote of those present amend its articles of association so that the business office of said association may be located in any town or any city in any town in which said association or company do business.

SEC. 2. This act will take effect and be enforced after its passage.

Approved April 16, 1895.

S. F. No. 292.

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Repeating inconsistent acta