

H. F. No. 4.

## CHAPTER 177.

Town insurance companies.

*An act relating to town insurance companies and authorizing loans by the officers thereof.*

95 C 177  
07 - 104

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

SECTION 1. Whenever a loss has been incurred by any insurance company heretofore or hereafter organized under chapter eighty-three (83) of the general laws of eighteen hundred and seventy-five (1875), entitled "An act authorizing the formation of town insurance companies," and the several acts amendatory thereto, if such loss does not exceed the sum of five hundred (500) dollars, the president, secretary and treasurer of such company may make a temporary loan, in the manner and for the use and benefit of such company, sufficient to pay such loss.

May make loans.

Such loan shall be for a time not to exceed one (1) year and at a rate not to exceed eight (8) per cent per annum; and the president, secretary and treasurer may under the provisions of this act continue to make loans to meet losses until the aggregate amount of such loans reaches a sum equal to two (2) mills on each dollar of the total amount of insurance then in force, whereupon it shall be the duty of the officers of such company, when the next ensuing loss occurs, to make an assessment sufficient to cover the outstanding loan with interest. Any note given pursuant to this act may be renewed if at the maturity thereof it has not become necessary to make an assessment; *provided*, that the loans hereby authorized shall in no case exceed at any one time in the aggregate a sum equal to two (2) mills on each dollar of the total amount of insurance then in force.

*Provided, further*, that if at the time an assessment is made to meet any outstanding loan which has not yet matured, and a loss occurs before the maturity thereof, the proceeds of such assessment may be applied to the payment of such loss and said loan may thereupon be renewed if necessary.

SEC. 2. This act shall take effect and be in force from and after its passage.

Approved April 2nd, 1895.