

. F. No. 292.

CHAPTER 143.

. Amendment
revising in-
surance
laws.

An act to amend chapter 175 of the General Laws of 1895, entitled "An act to revise and codify the insurance laws of the state."

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

SECTION I. That sections eleven (11), twenty-one (21), twenty-four (24), twenty-seven (27), twenty-eight (28), thirty-two (32), sixty-three (63), and seventy-three (73) of chapter 175 of the General Laws of 1895, be amended to read as follows:

. Annual
computation
of net value
of outstanding
policies.

Section 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 per cent per 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 assets in secure investments of an amount equal to such net value above all its other liabilities; and in computing such net value he shall treat and construe each policy, according to the terms and tenor thereof; *provided*, that policies, or certificates of any assessment company, issued on the mortuary assessment plan, prior to the reincorporation of such company, or the authorization thereof to transact life insurance business, under the provisions of this act, shall at all times after such reincorporation or authorization, be treated and valued as one year term policies. 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 shall equal 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 com-

. One year
term poli-
cies.. Valuations
by commis-
sioner.

missioner 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 thirty-first 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 on the contracts of insurance of an insurance company, other than life, and real estate title insurance, and thence the amount such company shall hold as reserve for the 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 in this state, the full amount of premiums written in their marine and inland navigation and transportation insurance policies shall be charged as liability.

To determine 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 payment 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; also the amount of any lawful interest-bearing lien

Valuing assets.

against, or loan upon any policy, to the extent of, but not exceeding the net value or premium reserve of such policy, computed as by this act provided. 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. 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.

Any insurance company, not excepting companies transacting life or casualty business on the mortuary assessment and stipulated premium plan, or either thereof, may qualify and be governed by this chapter, anything in its special charter to the contrary notwithstanding; *provided* that nothing herein contained shall impair or operate to impair the obligation of any contract, and *provided further*, that after such qualification the company qualifying shall be governed solely by this act; and, *provided further*, that nothing in this act contained shall apply to any town insurance, mortuary assessment, or stipulated premium company, unless and until it shall accept and qualify under the provisions hereof; and, *provided further*, that notice of the acceptance of said act be filed with the insurance commissioner.

Sec. 24. Any such company may adopt by-laws for the conduct of its business not repugnant to law nor to its charter, and therein may provide for the division of its board of directors into two, three, four or more 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, or at such other time or times as the by-laws may prescribe. Vacancies in any such class may be filled by election by the board for the unexpired term. The secretary and treasurer 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 acted upon at any special meeting of the company shall be specified in the call for the same.

All investments of the funds of the company shall be made in its corporate 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

application
provisions
law.

by-laws of
companies.

investment
funds.

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 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 city 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 in any business other than as specified in their charters and articles of incorporation and expressly authorized by law.

Location of office.

Any such company may acquire and hold real estate for the convenience and accommodation 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.

May hold real estate.

Sec. 27. Insurance companies may be formed or reincorporated as provided in section twenty-eight for any one of the following purposes, to wit:

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

Purposes of incorporation.

Second—To make insurance upon the lives of individuals, and every insurance appertaining thereto or connected therewith upon the stock or mutual plan, 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 of risks except those connected with or appertaining to making insurance on life, or against accident to, or sickness of, persons, and the granting, purchasing and disposing of annuities and endowments.

Third—To insure upon the stock or mutual plan vessels, freight, goods, money, effects, and money lent on bottomry or respondentia, against the perils of the sea and other perils usually insured against by marine in-

surance, including risks of inland navigation and transportation.

Fourth—To guaranty 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.

Sixth—To insure any person against sickness or 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 a breakage of plate glass, local or transit.

Eighth—To insure against loss by burglary or theft, or both, or attempt thereat, or loss of money or securities in course of transportation.

Ninth—To insure against loss or damage to property of the assured by water, caused by accidental breakage of automatic sprinkler heads.

Tenth—To insure against loss or damage to live stock of the assured occasioned by death of the property insured.

Sec. 28. The procedure for organizing or reincorporating such a corporation shall be as follows:

First—To organize a company the proposed incorporators must be residents of this state, and not less than ten in number, and shall subscribe and duly acknowledge before some officer authorized to take acknowledgments to deeds, 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 authorized to transact business in this state 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, or home office; and, if on the stock plan, the amount of its capital stock; also any additional suitable and lawful declarations or matters the said incorporators may see fit to embody therein.

Second—Any domestic insurance company, not excepting those transacting life or casualty insurance, business on the mortuary assessment plan and stipulated premium

Method of
organization.

Domestic
companies.

plan, or on either thereof, may at any time qualify and reincorporate under the provisions of this act, either as a stock company, if a stock company at the time of reincorporation, or as a mutual company, if a mutual company at the time of reincorporation, retaining or adopting any name consistent herewith and approved by the insurance commissioner.

To accomplish such reincorporation a resolution shall be adopted by a majority vote of all the votes cast by the stockholders of a stock company, or by a two-thirds vote of all the votes cast by the members of any other company, at any special meeting called for that purpose, of the holding of which not less than thirty days' written or printed notice, specifying the time and place, shall have been given, or by such majority vote or two-thirds vote as the case may be, at any regular meeting of such stockholders or members, authorizing and declaring such reincorporation, and setting forth the future corporate name of such company, which must not so closely resemble the name of an existing corporation authorized to transact business in this state 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, or home office; and if on the stock plan, the amount of its capital stock; also any additional suitable and lawful declarations or matters the said voters may see fit to incorporate therein.

Third—The words "insurance company" must be a part of the name or title of any company organized or reincorporated under the provisions of this act; also the word "mutual" if organized or reincorporated on the mutual plan or principle. The articles of incorporation or resolution of reincorporation, shall also fix the place day and hour of holding the first meeting of members or stockholders to be held thereafter, also the place, day and hour of holding the regular annual meeting of the members or stockholders, and the names of the first, or of the present, board of directors or trustees.

In case of reincorporation a full, true and complete copy, certified by the president and secretary, under the corporate seal of the company, of the resolution adopted as herein provided, and in case of organization, the articles of incorporation executed and acknowledged as herein provided, shall be submitted to and filed with the insurance commissioner, who shall, if it appears that the requirements of the law as herein have been complied with, cause such articles of incorporation, or certified copy of

Reincorporation.

Title of companies.

Certified copy of resolution.

resolutions, as the case may be, to be recorded in a book kept for that purpose in his office, and thereupon such articles of incorporation, or certified copy of resolution, as the case may be, shall constitute and thereafter be known as the articles of incorporation of the company, subject to amendment as herein provided: and if said company shall possess the necessary qualifications, and shall have complied with all the requirements of law, said commissioner shall, without unnecessary delay, issue to such company his certificate of authority, authorizing it to do the business mentioned in its 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.

Directors or trustees.

Any company reincorporated as herein provided shall upon such reincorporation and for the purpose of construing this act, be treated and deemed to have been formed or organized hereunder.* Except as otherwise herein provided, the then, at the time of such reincorporation, existing board of directors, or board of trustees and officers of any company reincorporated under this act, shall hold office until their respective successors are elected and have qualified.

Amend articles.

Any company organized or reincorporated under the provisions of this act may amend its articles of incorporation at any time, to any extent, not in violation of law, by resolution adopted by a majority vote of all the votes cast by the stockholders of a stock company, or by a two-thirds vote of all the votes cast by the members of any other company, at any special meeting called for that purpose, of the holding of which not less than thirty days' written or printed notice, specifying the time and place shall have been given, or by such majority vote or two-thirds vote, as the case may be, at any regular meeting of such stockholders or members.

A full, true and complete copy, certified by the president and secretary, under the corporate seal of the company, of any resolution of amendment, or amendments, herein authorized, shall be submitted to and filed with the insurance commissioner, who, if it appears that the requirements of law as herein have been complied with, shall, without unnecessary delay, record such certified copy of resolution of amendment, or amendments, in a book kept for the record of articles of incorporation, and thereupon such amendment or amendments shall be in force and effective.

Sec. 32. The capital stock shall be paid in cash within six months from the date of charter or certificate of organization, and no certificate of full shares, and no policies of insurance shall be issued until the whole capital is paid in; *provided, however,* that a company organized to insure bicycles against loss from theft shall have its entire capital subscribed within six months from the date of charter or certificate of organization, and shall be authorized to transact its business when not less than ten thousand dollars of its authorized capital shall have been paid in. Capital stock.

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.

Except as otherwise provided in sections twenty-four and seventy-five hereof, the funds, other than cash necessary for the proper management and prosecution of its business, of any insurance company of this state, shall be invested in or loaned on one or more of the following designated kinds or classes of securities and property, under the restrictions and conditions herein specified, viz.: Funds, how to be invested.

(1) Invested in bonds or treasury notes of the United States, national bank stock, 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 having legal authority to issue the same, at their market value; (2) invested in interest or dividend paying stocks or bonds of any general transportation or other corporation furnishing public utilities under public franchise obtained by or under the laws of the United States, or of this state or any other state of the United States, at their actual market value; (3) invested in or loaned on insurance policies issued by itself to an amount not exceeding the net or reserve value thereof; (4) invested in or loaned on notes or bonds secured by mortgage on improved 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 made payable to the insurance company in case of loss; (5) loaned on pledges of any of the securities designated in this section; *provided,* that loans on pledges of securities referred to in subdivision (2) hereof, shall not exceed eighty per cent of the actual market value of such pledged securities, and that the insurance company shall reserve

the right to at any time declare the indebtedness, secured by the pledged securities, immediately due and payable should such indebtedness ever be or become greater in amount than eighty per cent of the actual market value of said pledged securities on account of depreciation in such market value, or otherwise.

What constitute life insurance companies.

Sec. 63. All corporations, associations, partnerships or individuals doing business in this state under any charter, compact, agreement or statute of this or any other 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; *provided*, that nothing in this section contained shall apply to any contract, policy or certificate of membership issued by any corporation or company while transacting the business of life insurance on the mortuary assessment plan and stipulated premium plan, or either thereof, prior to receiving authority to transact life insurance business under the provisions of this act, but such contracts, policies and certificates shall be fulfilled and carried out according to the terms and conditions of each thereof, subject to change by the parties thereto.

Rights of members of domestic companies.

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 one thousand dollars of insurance in excess of the first one 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-seven upon the back of each policy, receipt or certificate of renewal.

Any member of a domestic mutual life insurance company may vote by proxy, provided the proxy appointment shall be in writing, and shall be filed with the company, and the filing noted on the company's books at least five days before the meeting at which it is to be used. A proxy may be revoked by the member giving it at any time, and no proxy shall be voted when and where the member giving it is present, or is represented by a subsequently appointed proxy.

SEC. 2. This act shall take effect and be in force from and after the first day of July, A. D. 1901.

Approved April 6, 1901.

CHAPTER 144.

S. F. No. 314.

An act to amend section 4807 General Statutes of 1894, providing for permanent alimony in actions of divorce.

Amendment.
Divorces.

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

SECTION 1. Section 4807 of the General Statutes of 1894 is amended to read as follows:

Upon every divorce for any cause excepting that of adultery committed by the wife, if the estate and property restored or awarded to the wife is insufficient for the suitable support and maintenance of herself, and such children of the marriage as shall be committed to her care and custody, or if there is no such estate and property, the court may further order and decree to her such part of the personal estate of the husband, not exceeding one-third part thereof in value, and such real estate of the husband, not exceeding the value of her dower, as it deems just and reasonable, having regard to the ability of the husband, and the character and situation of the parties, and all other circumstances of the case.

Partition
in real and
personal
property by
wife.

The court may also, in the cases provided for in this section, decree to the wife such alimony out of the estate, earnings and income of the husband as it may deem just and reasonable, having regard to the ability of the husband, and the character and situation of the parties, and all the other circumstances of the case, and may, by its decree, make the same a specific lien upon any specified parcels of the real estate of the husband, or authorize its enforcement by execution against his property, real and personal, but the aggregate award and allowance made to the wife as aforesaid, under the provisions of this section, shall not in any case exceed, in present value, the one-third part of the personal estate, earnings and income of the husband, and the value of her dower in his real estate.

Alimony.

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

Approved April 6, 1901.