

Said instrument shall contain a provision and agreement declaring that such company, association or corporation desires to transact the business of insurance in this state, and that it will accept a license therefor according to the laws of this state, and that it will not remove, or make application for removal, into any court of the United States any action or proceeding commenced in any court of this state upon a claim or cause of action arising out of any business or transaction done therein.

In case of the failure of any such insurance company to comply with any of the provisions of this act, or if it shall violate any of the conditions or agreements contained in the instrument filed as aforesaid, its right to transact the insurance business in this state shall cease, and it shall be the duty of the insurance commissioner to immediately declare its license revoked; and in case of such revocation, said company shall not be again licensed to transact business in this state for the period of one year from date of such revocation.

File with insurance commissioner.—Sec. 2. Every foreign insurance company now transacting the business of insurance in this state shall, within sixty (60) days after the passage of this act, file with the insurance commissioner its written instrument, as provided in section one (1), otherwise the commissioner shall immediately revoke its license.

Sec. 3. All acts or parts of acts inconsistent herewith are herewith expressly repealed.

Sec. 4. This act shall take effect and be in force from and after its passage.

Approved April 12, 1907.

CHAPTER 156—S. F. No. 62.

1907 C 156
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An Act to amend section 2993 of the Revised Laws of Minnesota for the year 1905, relative to the limit of loans by banks.

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

Limits the loan on real estate and collateral security by banks.—Section 1. That section 2993 of the Revised Laws of Minnesota for the year 1905 be and the same is hereby amended to read as follows: Section 2993—Loans, how limited—

The total liabilities to it, as principal, surety, or endorser, of any person, corporation, or co-partnership, including the liabilities of the several members thereof, shall never exceed fifteen per cent of its capital actually paid in cash and of its actual surplus fund. *Provided, however,* that on all loans made upon first mortgage security on improved farms located within the State of Minnesota, the limit of such loan shall not exceed twenty per cent of the paid-in capital stock and surplus of the bank; *provided,* that such mortgage loans be limited to, and in no case to exceed fifty per cent of the cash value of the security covered by such mortgage. The total liability of any officer or director shall never exceed ten per cent of the same aggregate amount. But the discount of the following classes of paper shall not be regarded as creating liability within the meaning of this section, viz.:

1. Of commercial paper actually owned by the person negotiating the same.

2. Bills of exchange drawn in good faith against actually existing values.

3. Paper based upon the collateral security of warehouse receipts covering agricultural or manufactured products stored in elevators or warehouses under either of the following conditions:

First—When the actual market value of the property covered by such receipts at all times exceeds by at least ten per cent the amount loaned thereon.

Second—When the full amount of every such loan is at all times covered by fire insurance in duly authorized companies, within the limit of their ability to cover such amounts, and the excess, if any, in companies having sufficient paid-up capital to authorize their admission, and payable, in case of loss, to the bank or holder of the warehouse receipt, unless accompanied by a certificate of the railroad and warehouse commission declaring the warehouse issuing the same to be fireproof.

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

Approved April 12, 1907.