

filed with the clerk of the district court of his county a certificate, under his hand, briefly stating therein the offense charged, the conviction and judgment, and the amount of fine collected. The clerk of the district court where the same is filed shall thereupon record, docket, index and make a permanent record of such conviction in books kept for that purpose in his office, and shall receive for such services the same compensation as is now by statute provided for entering and indexing all other similar actions coming into his office. And within ten days after the trial of any criminal action before him, such justice shall prepare an itemized statement of the costs taxed therein against the state and file the same with the county auditor. No bills for justice fees shall be allowed by the county board until such statement is filed as herein provided, and until all fines collected by such justice have been forwarded as provided by law. For each of such reports, required to be made by this section, the justice may include in his taxable costs twenty-five cents.

Approved April 23, 1907.

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#### CHAPTER 318—H. F. No. 188.

*An Act providing for the organization and operation of co-operative and assessment life and casualty insurance companies, and for the repeal of laws inconsistent therewith.*

P<sup>ASSED</sup> enacted by the Legislature of the State of Minnesota:

**Life insurance defined.**—Section 1. Every corporation, society or association which issues a certificate or policy or makes an agreement with its members by which upon the decease of a member any money is to be paid to, or benefit conferred upon, the legal representatives or designated beneficiaries of such member, or reaching a certain age to pay any money or benefit to him, such money or benefit to be derived from voluntary donations, admission fees, dues or assessments to be collected from its members or any class thereof, and which reserves the right to make any additional assessments, or without the consent of the certificate or policyholder to increase the premium named therein, shall be deemed to be engaged in the business of life insurance upon the co-operative or assessment plan. Every corporation which likewise agrees in case of accident, sickness or other

physical disability, or reaching a certain age, to pay money or confer benefits likewise derived and issuing certificates or policies with similar conditions with reference to the payment of dues or assessments, shall be deemed to be engaged in the business of casualty insurance upon the co-operative or assessment plan, and shall, except as herein otherwise specified, be subject to the provisions of this act.

**When corporations may be formed.**—Sec. 2. No corporation not now authorized to transact business in this state, shall be licensed to transact the business of life or casualty insurance, or both, upon the co-operative or assessment plan until at least two hundred and fifty (250) persons eligible to membership therein have made individual applications in writing therefor, containing warranties of age, health and other required conditions of membership, and that there has been paid into the treasury of such corporation for its use and benefit the sum of at least five thousand (\$5,000) dollars, which amount shall be liable only for death or indemnity claims made under its policy or membership certificate contracts. The license issued to such company shall be recorded in the office of the register of deeds for the county in which its principal office is located before the same becomes effective.

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**10% of gross premiums to be set aside.**—Sec. 3. Every such corporation, except fraternal beneficiary associations, shall set aside 10 per cent of its gross premium receipts or assessments each year as a reserve, until the same, together with any reserve already accumulated, shall amount to the sum of twenty-five thousand (\$25,000) dollars, which said reserve fund shall be deposited with the insurance commissioner of the State of Minnesota, for the benefit of all its policyholders. Such deposit may consist of securities of the class in which insurance companies are authorized to invest under the laws of this State, and the company depositing the same shall be entitled to the income derived from such securities. No foreign insurance company upon the co-operative or assessment plan, shall hereafter be permitted to transact business in this state unless it makes the deposit hereinbefore required of domestic companies, except that where by the laws of the state under which said foreign company is organized, it is permitted to and actually does maintain for the benefit of all its policyholders a deposit with some proper officer of such state of an amount equal to the

deposit required by this act, the deposit with such other state shall be a sufficient compliance with the provisions of this section. No deposit of securities other than that herein provided for shall be required of any such co-operative or assessment company, any company transacting the business of life insurance, upon the co-operative or assessment plan, and creating and maintaining a greater reserve than herein provided for, may elect by written stipulation, filed with the insurance commissioner, to keep on deposit with the commissioner its entire reserve and special benefit funds, other than mortuary funds; and thereafter said entire reserve and special benefit funds shall be deposited with said commissioner in securities of like character and upon the same terms as provided herein for the deposit of the reserve required by this section.

**Policies must contain fixed minimum sum.**—Sec. 4. No co-operative or assessment life insurance company shall hereafter issue any policy in this state which does not provide for the payment of a fixed minimum sum, which sum may be increased each year the insurance remains in force in the amounts to be provided in the policy. Any agreement or by-law providing for the placing of a lien upon such policy, except for non-payment of premium or assessment, and any agreement or by-law providing for the payment of a less sum than the minimum sum specified in the contract, because of the failure of the corporation to receive or collect the amount in said contract by assessment upon the surviving members, shall be void. Nothing in this section contained shall be so construed as to render any member liable for more than one assessment for each death occurring during his period of membership, unless otherwise specified in the policy. And all policies issued by said company shall contain a title including the word "assessment" on the face and on the back of the policy correctly describing the same.

This section shall not apply to any existing domestic company until it has been in existence for four years.

**Limit of expenses.**—Sec. 5. No corporation now or hereafter organized in this state, for the purpose of transacting the business of life insurance, or now or hereafter admitted to transact such business, in this state, upon the co-operative or assessment plan, shall incur, lay out or expend in any one calendar year, as and for the expenses of conducting such business, including solicitation of members, more

than a sum equal to the first year's premiums, or assessment income on policies issued during that year and 35 per cent of its premium and assessment income from policies or certificates which have been in force for one year or more. The receipts from post-mortem assessment certificates shall not be included in determining the above amounts, but the dues and expense charges contained in such certificates shall be in addition to such amount herein allowed for expenses.

**Violation a misdemeanor.**—Sec. 6. No such company transacting the business of casualty or health insurance in this state shall incur, lay out or expend, in any one calendar year, as and for the expenses of conducting such business more than its application or membership fees and forty (40) per cent of its total premiums or assessments.

Any officer of any corporation violating or consenting to the violation of this, or the preceding section, shall be guilty of a gross misdemeanor.

**Net rates to be collected.**—Sec. 7. No corporation hereafter organized to transact the business of life insurance upon the co-operative or assessment plan, and no such corporation not already admitted to transact business in this state shall hereafter be licensed to transact such life insurance business in this state unless it shall by its charter, by-law and policy or certificate contracts, provide for and actually charge and collect from its members, for and on account of the insurance furnished to them, net rates which are at least equal to the rates known as the National Fraternal Congress rates, with 4 per cent interest.

**May assume risks of similar corporations under certain conditions.**—Sec. 8. Any such corporation, association or society organized or authorized to transact business under the provisions of this act, may by contract of reinsurance assume the risks of any other similar corporation, association or society engaged in the business of life or casualty insurance, or both, only on the following conditions:

First—That both the corporations, associations or societies which propose to enter into such reinsurance contract, shall be, upon the date of reinsurance, duly authorized under the provisions of this act, to transact business in this state.

Second—That the contract of reinsurance shall have previously been submitted to the insurance commissioner and the attorney general of this state and shall have received the approval of the insurance commissioner duly endorsed thereon.

Third—That such corporation, association or society, which proposes to reinsure and retire, shall have been thoroughly examined by the insurance commissioner of this state within six months of the date of such proposed consolidation or re-insurance. And *further provided*, that in the judgment of the insurance commissioner of this state such consolidation or reinsurance can in no way impair the solvency of the corporation, association, or society which proposes to reinsure and assume the business and affairs of the corporation, association or society contemplating reinsurance and retirement.

Fourth—That the contract of reinsurance shall have been approved by a majority vote of all the members of the corporation, association or society, which proposes to reinsure and retire, present in person or by proxy, at any regular meeting thereof, or at any special meeting thereof called to consider the same. And *further provided*, that a written or printed notice of the purpose of such corporation, association or society to reinsure shall have been mailed to each of its members at least thirty days prior to the date fixed for such meeting.

When the members of any such corporation, association or society shall have so voted to reinsure and retire, its officers and the officers of the corporation, association or society which proposes to assume the risks and other obligations are hereby authorized to enter into and consummate the contract of reinsurance as submitted and approved, and to do and perform all other acts necessary to the final and complete consolidation or reinsurance. Such retiring corporation, association or society shall turn over all its property, securities, moneys and other assets to the corporation, association or society reinsuring and assuming its obligations, to become the sole and absolute property thereof. The actual and reasonable expenses and costs incident to proceedings under the provisions of this section may be paid by the company or companies so consolidating or reinsuring, and an itemized and verified statement of such expenses, together with proper vouchers for each of the same, shall be filed with the insur-

ance commissioner. No officer of any such company or companies, nor any employe of the state shall receive any compensation, gratuity, employment, or other promise or thing of value, directly or indirectly, for in any manner aiding, promoting or assisting in such consolidation or reinsurance. Any officer or director of any company which is a party to the agreement of reinsurance herein provided for who shall receive any compensation or gratuity for aiding or promoting or consenting to such contract shall be guilty of larceny, and any other person guilty of wilfully violating or consenting to the wilful violation of the provisions of this act, shall be guilty of a gross misdemeanor.

**May amend articles to form legal reserve or level premium.**—Sec. 9. Any such corporation, association or society may with the written consent of the insurance commissioner of this state upon a majority vote of its governing body, amend its articles of incorporation and by-laws in such manner as to transform itself into a legal reserve or level premium insurance company, and upon so doing and upon procuring from the insurance commissioner a certificate of authority, as provided by law, to transact business in this state, as a legal reserve or level premium company, shall incur the obligations and enjoy the benefits thereof, the same as though originally thus incorporated, and such corporation, under its charter as amended, shall be a continuation of such original corporation, and the officers thereof shall serve through their respective terms, as provided in the original charter, but their successors shall be elected and serve as in such amended articles provided; but such amendment or reincorporation shall not affect existing suits, rights or contracts. Any corporation, association or society so reincorporated to transact the business of life insurance, shall, unless a higher method of valuation be provided for in its policy, or certificates of membership previously written, value its assessment policies or certificates of membership previously written as yearly renewable term policies, according to the standard of valuation of life insurance policies prescribed by the laws of this state.

**Application of sec. 1625 R. L. 1905.**—Sec. 10. Section 1625 of Revised Laws 1905, shall not apply to any corporation, association or society engaged in the business of life insurance upon the co-operative or assessment plan, or to any such corporation, society or association engaged in the busi-

ness of casualty insurance upon the co-operative or assessment plan, as in this act defined.

**Certain sections of R. L. 1905 repealed.**—Sec. 11. Sections 1695, 1698, 1699, 1700, 1701, 1702 of Revised Laws 1905, are hereby repealed. Chapter 303 of Laws of Minnesota for 1905 and all other laws and parts of laws, in so far as they may be inconsistent with this act, shall not apply to corporations transacting the business of life or casualty insurance solely upon the co-operative or assessment plan as defined in this act.

**Not to apply to beneficiary associations.**—Sec 12. The provisions of this act shall not apply to fraternal beneficiary associations, nor shall anything herein be construed as governing or in anywise regulating such associations.

Sec. 13. This act shall take effect and be in force from and after its passage.

Approved April 23, 1907.

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#### CHAPTER 319—H. F. No. 311.

*An Act to amend section 19, Revised Laws 1905, relating to contempts of the legislature.*

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

**When members may be punished for contempt.**—Section 1. That section 19, Revised Laws 1905, be, and the same hereby is amended so as to read as follows:

19. Contempts—Each house may punish, as a contempt, any breach of its privileges, or of the privileges of its members, but only for one or more of the following offenses:

1. Arresting or causing to be arrested, any member or officer thereof, in violation of his privilege from arrest.

2. Disorderly conduct in its view and presence, or in the view and presence of any of its committees, tending to interrupt their proceedings.

3. Refusing to attend or be examined as a witness, before either house or any committee thereof, or before any