

ers whose appointment and qualifications shall be approved by the state superintendent of education, the sum of one hundred (\$100.00) dollars for each defective speech child instructed in such school or schools having an annual session of at least nine months during the year next preceding the first day of July; and a share of such sum proportionate to the term of instruction of any such pupil who shall be so instructed less than nine months during such school year.

Sec. 4. Education of mental subnormal children.—Section one (1) of this act shall, so far as applicable, provide for and apply to schools for mental subnormal children, except that these schools shall be under the control of the state superintendent of education and that there shall be paid out of the current school fund in the state treasury annually in the month of July to the treasurer of the school district maintaining a school or schools for mental subnormal children under the charge of one or more teachers whose appointment and qualifications shall be approved by the state superintendent of education, the sum of one hundred (\$100.00) dollars for each mental subnormal child instructed in such school or schools having an annual session of at least nine months during the year next preceding the first day of July.

Sec. 5. Limitation of attendance.—Permission to establish such special classes as may come under the provisions of Sections 2, 3 and 4 of this act, may be granted to districts which have an actual attendance of not less than five children, between the ages of four and sixteen years.

Sec. 6. This act shall take effect and be in force from and after its passage.

Approved April 20, 1915.

CHAPTER 195—H. F. No. 741.

An Act relating to insurance agents and brokers; providing penalties for violation thereof; and for the repeal of Chapters 107, 223, 514, Laws 1913.

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

Section 1. License to be obtained from insurance commissioner.—No person shall act or assume to act as an insurance agent or broker in the solicitation or procurement of applications for insurance, nor in the sale of insurance or policies of insurance, nor in any manner aid as an insurance agent or broker in the negotiation of insurance by or with any insurance company or association, except fraternal beneficiary associations and township mutual companies, until such person shall have obtained from the commissioner of insurance a license therefor.

Sec. 2. To be granted only on written application of company.—A license to any person to act as agent for any insurance company or association shall only be granted by the commissioner of insurance upon the written application by such company or association upon forms prescribed by the commissioner of insurance and the payment of the fee required by law. Such licenses shall be issued for the term ending on the first day of March thereafter.

Sec. 3. What application must contain.—A license to act as insurance broker shall only be granted by the commissioner of insurance upon application made in writing and verified by oath by the person seeking such license and the payment of the fee required by law; and such application shall be in the form prescribed by the commissioner of insurance and shall give a statement of the occupations in which the applicant has been engaged for the preceding five years.

Sec. 4. Definition of term "insurance broker."—Whosoever, not being the appointed agent or officer of the insuring company, acts for another person, firm or corporation, or in any manner aids another person, firm or corporation, for compensation or profit, in effecting or in procuring insurance or in placing or securing insurance or in the purchase of insurance; or whosoever, not being the appointed agent or officer of the insuring company, procures a policy of insurance to be issued to or on behalf of another person, firm or corporation, or procures insurance to be effected or placed for or on behalf of another person, firm or corporation, at the request of or with the consent of such other person, firm or corporation, and collects, receives or accepts in money, or other thing of value, or gives credit for, the whole or any part of any premium, policy fee, or assessment on or for such policy of insurance, and does not forthwith pay or deliver the whole thereof over to the company or its agent entitled thereto issuing such policy or effecting such insurance, shall be deemed an insurance broker. Such broker's license shall be issued and be in force for one year from its date of issue unless revoked or suspended by the commissioner of insurance.

Sec. 5. Insurance commissioner to pass upon qualification of applicant.—No person shall be licensed by the commissioner of insurance as an insurance agent or broker if the commissioner of insurance shall be satisfied that such person is incompetent or unqualified to act as such insurance agent or broker; or that such person does not in good faith intend to carry on the business of insurance agent or broker; or that such person is untrustworthy; or that such person has unreasonably failed to pay over to any insurance company, agent or broker, or policyholder or member of any insurance company or association entitled

thereto the whole or any part of any premium or return premium, or moneys or other thing of value in his hands, arising out of any insurance transaction, and due or payable to or belonging to any policyholder or other person, firm or corporation; or that such person has wilfully misrepresented to any person, firm or corporation the terms or conditions of any policy or contract of insurance or the financial standing or condition or manner of doing business of any insurance company or association, agent or broker; or that such person has deceived or defrauded, or attempted to deceive or defraud any person, firm or corporation in connection with any insurance transaction; or that such person has been dishonest in connection with any insurance transaction; or that such person has urged or procured any person, firm or corporation to lapse any policy or contract of insurance in any company or association which is now or has been licensed to do business in the state to the damage of such person, firm or corporation; or that such person has violated any of the provisions of the laws of this state in any way relating to insurance or the transaction or negotiation of insurance, or insurance agents, or brokers, or any lawful ruling of the commissioner of insurance; or that such person is not of good moral character.

Sec. 6. Insurance commissioner may revoke license.—The commissioner of insurance may at any time revoke the license of any insurance agent or broker or suspend the same for not less than thirty (30) days if he shall be satisfied that any such *licensee is not qualified under the provisions of the foregoing section*, and he shall give such notice thereof as he deems will best protect the public.

Sec. 7. License to be revoked on application of company.—The license of any person as agent for any insurance company shall likewise be revoked by the commissioner of insurance when written request therefor is made by such company.

Sec. 8. Notice of revocation to be given by mail.—Notice of such revocation or suspension shall be given to such person by mail and shall be deemed complete if such notice is deposited in the mails, postage prepaid, directed to such person at his last-known place of residence as disclosed by the application for license on behalf of such person. Notice of such revocation or suspension or the refusal of an agent's license shall in like manner be given to the company which applied therefor. Notice of the refusal of a broker's license shall in like manner be given the applicant therefor.

Sec. 9. Complaint to be in writing and insurance commissioner to give hearing.—The commissioner of insurance, when he deems it advisable, may require any complaint made against an insurance agent or broker to be in writing and sworn to by

the person or persons making the same. When the commissioner of insurance shall deem it advisable, and in all cases where such person or company requests the same in writing, the commissioner of insurance shall grant a summary hearing in his office to determine whether or not such license shall be refused, revoked or suspended, and if an appearance shall not be made at such hearing, the license of the person applying for the same, or on whose behalf application for the same is made, shall be forthwith refused, revoked or suspended, as the case may be. Whenever the license of any agent or broker has been refused or revoked no new application for such license shall be entertained by the commissioner of insurance for one year thereafter and then only upon condition that such person shall file with the commissioner of insurance a good and sufficient bond in the sum of \$5,000.00 for the protection of the citizens of the state.

Sec. 10. Insurance commissioner to pass upon fitness of applicant.—Upon proper complaint the commissioner of insurance may, in like manner, determine the unfitness of any person whose license as agent or broker has expired, or, in the case of an agent, has been revoked upon the request of the company for which he was licensed, to be thereafter licensed as insurance agent or broker, and record thereof shall be made as in the case of revocation, refusal or suspension of an agent's or broker's license.

Sec. 11. Record to be kept by insurance commissioner.—The commissioner of insurance shall keep a record of the name and address of every person whose license as agent or broker has been refused, revoked or suspended, together with a brief statement of the reasons therefor and the facts connected therewith, which record shall be open to public inspection.

Sec. 12. Insurance companies prohibited from making application for license or keeping in employ unfit persons.—No insurance company, its officers, agents or managers, shall knowingly make application to the commissioner of insurance for a license as agent on behalf of any person who is known to such company, its officers, agents or managers, making such application, to be unfit or disqualified to be licensed as an insurance agent as defined by the provisions of this act, and immediately upon the discovery by such company, its officers, agents or managers, having supervision of such agent, of such unfitness or disqualification such company or such officers, agents or managers shall forthwith request the commissioner of insurance in writing to revoke the license of such agent; nor shall any company retain in its employ any agent known by it to be disqualified or unfit to be licensed as an insurance agent as defined by this act.

Sec. 13. Appeal allowed to the district court.—Any person aggrieved by any ruling or order of the commissioner of insurance made under the provisions of this act, may appeal there-

from to any district court of the state by serving written notice of such intention upon the commissioner of insurance, specifying such court, within ten (10) days after the same is made. The commissioner of insurance shall thereupon file with the clerk of such court a certified copy of his order or ruling and findings of fact upon which the same are based, which shall be prima facie evidence of the facts therein stated. Thereupon the court shall summarily hear and determine the questions involved on said appeal.

Sec. 14. Insurance commissioner given power to compel attendance of witnesses for investigation.—The commissioner of insurance shall have full power to summon and compel the attendance of witnesses before him to testify in relation to any matter which is, by the provisions of this act, or other provisions of the laws of this state relating to insurance, a subject of inquiry or investigation, and may require the production of any book, paper or document deemed pertinent thereto. Such summons shall be served in the same manner and have the same effect as subpoenas from district courts of this state. All witnesses summoned shall receive the same compensation as is paid to witnesses in the district court, which shall be paid out of the contingent fund of the department of insurance upon proper vouchers for the same signed by the commissioner of insurance, and the commissioner of insurance shall, at the close of the hearing wherein such witness was subpoenaed, certify to the attendance and mileage of such witness, which certificate shall be filed with such vouchers. All investigations held by or under the direction of the commissioner of insurance may, in his discretion, be private, and persons other than those required to be present by the provisions of this act may be excluded from the place where such investigation is held, and witnesses may be kept separate and apart from each other and not allowed to communicate with each other until they have been examined.

Sec. 15. Commissioner and deputy authorized to administer oaths.—The commissioner of insurance and his deputy are each hereby authorized and empowered to administer oaths and affirmations to any person appearing as witness before them; and false swearing in any matter or proceeding aforesaid shall be deemed perjury and shall be punished as such.

Sec. 16. Insurance commissioner may punish for contempt.—Any witness who refuses to be sworn, or who refuses to testify, or who disobeys any lawful order of said commissioner of insurance or his deputy, in relation to said investigation, or who fails or refuses to produce any paper, book or document touching any matter under examination, or who is guilty of any contemptuous conduct, after being summoned to appear before them to give testimony in relation to any matter or subject under

examination or investigation as aforesaid, may be summarily punished by the said commissioner of insurance or his deputy, as for contempt by a fine in a sum not exceeding one hundred dollars.

Sec. 17. District court resorted to for enforcement.—Disobedience of any subpoena in such proceeding, or contumacy of a witness, may, upon application of the commissioner of insurance, be punished by any district court in the same manner as if the proceedings were pending in such court.

Sec. 18. No commission to be allowed to unlicensed agent.—No commission or other compensation shall be paid or allowed by any person, firm or corporation to any other person, firm or corporation acting or assuming to act as an insurance agent or broker without a license therefor.

Sec. 19. Violation a misdemeanor.—Any person, firm or corporation violating or failing to comply with any of the provisions of this act, and any person who acts in any manner in the negotiation or transaction of unlawful insurance with an insurance company not licensed to do business in the state, or who as principal or agent violates any provision of law relating to the negotiation or effecting of contracts of insurance, shall be guilty of a misdemeanor.

Sec. 20. When license is to be revoked.—The commissioner of insurance shall revoke the license of any agent or broker or officer, director, manager or other official of any insurance company refusing or neglecting to appear or testify at any hearing held before the commissioner of insurance, or failing or refusing to produce any books, papers or documents demanded by the commissioner of insurance, when such persons have been notified by the commissioner of insurance in writing to so appear and testify or produce books, papers or documents at such hearing.

Sec. 21. Chapters 107, 223 and 514 of the Laws of 1913 are hereby repealed.

Approved April 20, 1915.

CHAPTER 196—H. F. No. 757.

An Act to amend Section 3431, General Statutes of Minnesota 1913, relating to the capital of real estate title insurance companies, providing for setting apart a part thereof as a guaranty fund and authorizing such companies to make abstracts of title to real property for compensation.

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

Section 1. Deposit of guarantee fund to be made with insurance commissioner and company given right to collect income.—