

Sec. 20. **Certain sections repealed.**—Sections 3837, 3838, 3887, 3890, 3853, 3854 and 3855, and all other acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

Approved April 25, 1919.

#### CHAPTER 492—H. F. No. 957.

*An act to provide for the organization, regulation and management of mutual automobile insurance companies.*

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

**Section 1. Mutual automobile insurance companies.**—Any number of persons not less than five may associate themselves together and form an incorporated company to insure against loss or damage to automobiles or other vehicles and their contents, by collision, fire, burglary or theft, and by windstorm or tornado, and against liability for damage to property of others by collision with such vehicles.

**Sec. 2. When policies may be issued.**—(a) No policies shall be issued by any company or association now or hereafter organized under the provisions of this act until not less than \$200,000 of insurance upon not less than 200 separate automobiles located in this state has been subscribed for and entered upon the books of the company or association and the premiums thereon for one year have been paid in cash, which premiums shall aggregate not less than \$2,500.

(b) Every such company shall provide in its by-laws and specify in its policies the maximum contingent mutual liability of its members for the payment of losses and expenses not provided for by its cash fund. Such contingent liability of a member shall not be less than a sum equal to and in addition to one annual premium nor more than a sum equal to five times the amount of such annual premium, but in case of a policy written for less than one year the contingent liability shall not exceed the amount of the premium written in the policy. The total amount of the liability of the policyholder shall be plainly and legibly stated upon each policy as follows:

“The maximum contingent liability of a policyholder under this policy is \$.....”

**Sec. 3. Liability.**—The maximum net single risk, after deducting reinsurance, for which a company organized under this act shall be solely liable, shall be not more than

(a) \$1,000.00 while the membership is less than five hundred.

(b) \$2,000.00 while the membership is more than five hundred and not more than one thousand;

(c) \$3,000.00 so long as the membership is one thousand or more.

No such company shall insure any person against damage to his own car on account of collision while the membership in such corporation is less than one thousand.

**Sec. 4. Limit of expense.**—No such company shall expend in any one year for the expense of conducting its business more than 40 per cent of its total premium and assessments actually collected and a membership fee of not more than \$5.00 upon each policy written.

**Sec. 5. Guaranty reserve fund.**—Any such company may, if a majority of its members so elect, at any annual meeting or special meeting called for that purpose, amend its articles of incorporation so as to provide for a guaranty reserve fund in an amount not exceeding \$100,000 said guaranty reserve fund to be used *only in the payment of losses and expenses in the event the total liabilities of the company, including its statutory reserves and such guaranty reserve fund, are in excess of its total admitted assets and that the total contingent liability of the policyholders has been exhausted.* The guaranty reserve fund may be created from the profits or surplus of the company, also by the levying of assessments, but no policyholder shall be liable for an assessment for any purpose whatsoever for an amount greater than as specified in his policy contract.

**Sec. 6.** This act shall take effect from and after the date of its passage.

Approved April 25, 1919.

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CHAPTER 493—H. F. No. 966.

*An act fixing and regulating the salary of help in the office of the Court Commissioner in counties having or which may hereafter have a population of 300,000 or over.*

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

**Section 1. Stenographer for court commissioner in Hennepin county.**—The court commissioner shall appoint and employ one stenographer clerk who shall be paid the sum of twelve hundred dollars (\$1,200) per annum, payable monthly in the same manner as other county employes are paid.

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

Approved April 25, 1919.