

Section 1. State employees to be paid semi-monthly.—All employees of the State of Minnesota shall receive compensation due them for services rendered semi-monthly; provided that this shall not apply to elective officers and heads of State Departments who may be appointed thereto.

Sec. 2: Effective July 1, 1921.—This act shall take effect and be in force from and after July first, 1921.

Approved April 20, 1921.

CHAPTER 380—S. F. No. 549.

An act to amend Chapter 195, Laws 1915, being an act entitled: "an act relating to insurance agents and brokers; providing penalties for violation thereof, and for the repeal of Chapters 107, 223 and 514, Laws 1913."

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

Section 1. Definitions—License to be obtained from insurance commissioner.—That Chapter 195, Laws 1915, be and the same is hereby amended so as to read as follows:

An insurance agent is hereby defined as a person acting under express authority from an insurer and on its behalf to solicit insurance, or to appoint other agents to solicit insurance, or to write and countersign policies of insurance, or to collect premiums therefor within this state, or to exercise any or all of said powers when so authorized by the insurer.

An insurance solicitor is hereby defined as a person acting under express authority from an insurance agent to solicit insurance for such agent, but without the power or authority to issue or countersign policies for the insurer of which such agent is the duly authorized representative.

No person shall act or assume to act as an insurance agent or solicitor 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 solicitor in the negotiation of insurance by or with insurer, including resident agents or reciprocal or interinsurance exchanges, except fraternal beneficiary associations and township mutual companies, until such person shall have obtained from the commissioner of insurance a license therefor, which license shall specifically set forth the name of the person so authorized to act as agent or solicitor and the class or classes of insurance for which he is authorized to solicit or countersign policies.

Sec. 2. To be granted only on written application to company.—A license to any person to act as insurance agent for any insurer shall only be granted by the commissioner of insurance upon

the written *requisition* of such *insurer* upon forms prescribed by the commissioner of insurance and the payment of a fee of two dollars (\$2.00), in the case of a foreign insurer, and fifty cents in the case of a domestic insurer, and the filing of the application hereinafter provided for. Such license shall be issued for the term ending on the first day of March thereafter.

Sec. 3. Agents to be licensed—Fees of non-resident agent.—*Every insurance agent duly licensed to transact business in this state shall have the right to procure the insurance of risks or parts of risks in the class or classes of insurance for which he is licensed in other insurers duly authorized to transact business in this state, but such insurance shall only be consummated through a duly licensed resident agent of the insurer taking the risk.*

A non-resident insurance agent or solicitor placing insurance through a resident insurance agent of this state shall be permitted to do so only when he shall have first made written application for and procured from the commissioner of insurance a license therefor upon a form prescribed by said commissioner of insurance upon the payment of a fee of ten dollars (\$10.00). Such license shall expire one year from its date and shall in no case be granted to a resident of any state which does not permit the licensing of an agent of this state under like circumstances.

Sec. 4. Agents may employ solicitors.—*An insurance agent duly authorized as such and representing one or more insurers within this state may employ such solicitors as he may desire to represent him, but such solicitors shall not represent themselves, by advertisement or otherwise, as agents of the insurer or insurers represented by their employer, and they shall in all instances represent themselves only as solicitors for said insurance agent.*

No person shall act or assume to act as an insurance solicitor until he shall have obtained from the commissioner of insurance a license therefor, and paid a fee of ten dollars (\$10.00), which license shall be issued to him only on the requisition of an insurance agent duly licensed in this state and the filing of the application herein after provided for.

Sec. 5. Insurance commissioner to pass on qualifications of applicant.—*No person shall be licensed by the commissioner of insurance as an insurance agent or solicitor if the commissioner of insurance shall be satisfied that such person is incompetent or unqualified to act as such insurance agent or solicitor; or that such person does not in good faith intend to carry on the business of insurance agent or solicitor, or intends to secure a license for the sole purpose of writing insurance upon his own life or property; or that such person is untrustworthy or of bad moral character; or that such person has unreasonably failed to pay over to any insurer, agent or solicitor, 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 *insurer*, agent or *solicitor*; 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 *solicitors*, or any lawful ruling of the commissioner of insurance. *No license shall be granted under this act to any agent or solicitor until he shall have filed with the commissioner of insurance an application duly signed and verified by him, which application shall be in such form as may be prescribed by the commissioner of insurance and shall set forth such facts as may enable him to form a conclusion as to the qualifications of such agent or solicitor, but where such agent or solicitor has previously filed with the commissioner of insurance such an application, said commissioner may renew his license without requiring further application.*

Sec. 6. Commissioner may revoke license.—The commissioner of insurance may at any time revoke the license of any insurance agent or *solicitor* 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 *insurer* shall likewise be revoked by the commissioner of insurance when written request therefor is made by such *insurer*. *The license of any solicitor shall likewise be revoked when written request therefor is made by the agent employing him or by the Company whose agent appointed him.*

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

insurer which applied therefor. Notice of the refusal of a *solicitor's license* shall in like manner be given the applicant therefor.

Sec. 9. **Complaint to be in writing—Hearing.**—The commissioner of insurance, when he deems it advisable, may require any complaint made against an insurance agent or *solicitor* 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 *complainant* or such agent or solicitor 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 or who is complained against, shall be forthwith refused, revoked or suspended, as the case may be. Whenever the license of any agent or *solicitor* has been refused or revoked for cause 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. **Commissioner to pass on 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 *solicitor* has expired, or has been revoked upon the request of the *insurer* for which he was licensed, to be thereafter licensed as insurance agent or *solicitor* and record thereof shall be made as in the case of revocation, refusal or suspension of an agent's or *solicitor's* license.

Sec. 11. **Record to be kept by commissioner.**—The commissioner of insurance shall keep a record of the name and address of every person whose license as agent or *solicitor* 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 *insurer*, 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 *insurer*, 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 *insurer*, its officers, agents or managers, having supervision of such agent, of such unfitness or disqualification such *insurer* or such officers, agents or managers shall forthwith request the commissioner of insurance in writing to revoke the license of such agent;

nor shall and *insurer* retain in its employ any *such* agent known by it to be disqualified or unfit to be licensed as an insurance agent as defined by this act, *nor shall any agent retain in his employ as solicitor any person disqualified or unfit to be licensed as such.*

Sec. 13. **May appeal to district court.**—Any person aggrieved by any ruling or order of the commissioner of insurance made under the provisions of this act, may appeal therefrom 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. **Commissioner may compel attendance of witnesses.**

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 witnesses, 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 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. 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 may punish for contempt.—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 unauthorized 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 solicitor 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, and upon the conviction of any agent or solicitor of any violation of the provisions of this act, the commissioner of insurance shall suspend the authority of such agent or solicitor to transact any insurance business within the State of Minnesota for a period of not less than three (3) months. Any insurer employing an agent and failing to procure a license as required by this act, or permitting such agent to transact business for it within the State before such license has been procured, shall pay the commissioner of insurance, for the use of the state, a penalty of twenty-five dollars (\$25.00) for each offense, and in the event of failure to pay such penalty within ten (10) days after notice from the commissioner of insurance, the authority of such insurer to do business in this state shall be revoked by the commissioner of insurance until such penalty is paid, and no such insurer shall be re-admitted until it shall have complied with all the terms and conditions imposed for admission in the first instance; provided that any action taken by the commissioner of insurance under the provisions of this section shall be subject to review by the district court of the county in which the office of such commissioner is located.

Sec. 20. Licenses may be revoked.—The commissioner of insurance shall revoke the license of any agent or solicitor or insurer, 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 commis-

sioner 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. **Laws repealed.**—Chapters 107, 223, and 514, of the Laws of 1913, are hereby repealed.

Sec. 22. **Effective July 21, 1921.**—This act shall take effect and be in force from and after July 21, 1921.

Approved April 20, 1921.

CHAPTER 381—S. F. No. 624.

An act to amend Section 4001, General Statutes, 1913, relating to the State Board of Control.

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

Section 1. **Governor to appoint women on board of control.**—That section 4001, General Statutes, 1913, be and the same is hereby amended so as to read as follows:

"4001. **ORGANIZATION.**—The state board of control shall consist of *five* members, at least two of whom shall be women, appointed by the governor with the consent of the senate, each for the term of six years, and until their successors qualify. Provided, however, that the term of office of the members heretofore appointed shall not be affected by this act; and provided further, that the first term of office of one of the additional members provided for by this act shall commence on April 7th, 1921 and expire April 6th, 1924, and that the first term of office of the other such additional member shall commence on April 7th, 1921 and expire April 6th, 1926. Vacancies shall be filled by like appointment for the unexpired terms. The member whose term first expires shall be chairman. The governor may remove any member for malfeasance or non-feasance in office, or for any cause which renders him incapable or unfit to discharge his official duties."

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

Approved April 20, 1921.

CHAPTER 382—S. F. No. 563.

An act to amend Section 4175 of the General Statutes of 1913 relating to appointment of employes of the railroad and warehouse commission.

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

Section 1. **Secretary—Employees.**—That Section 4175 of the