

and, when an agreement has been entered into between the town board of any such town and the board of county commissioners of any such county, for the construction, improvement or maintenance of any or all of the roads and bridges in any such town upon which such funds are to be expended in accordance with any such agreement, shall pay to any such county, pursuant to the terms of such contract or agreement out of such money or funds so appropriated, the amount so agreed to be expended by any such county in the construction, improvement or maintenance of the roads and bridges in any such town, and not otherwise.

Approved April 5, 1923.

CHAPTER 158—H. F. No. 483.

An act to amend Sections 2 and 3 of Chapter 383, Laws 1921, relating to the salaries and clerk hire of county treasurers and registers of deeds in certain counties:

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

Section 1. **Salary of county treasurers in certain counties.**—That Section 2, Chapter 383, Laws 1921, be amended so as to read as follows:

"Section 2. That the salary of the county treasurer of any such county shall be the sum of *twenty-one hundred (\$2100.00)* dollars per annum, and the said county treasurer shall be allowed not to exceed the sum of nine hundred (\$900.00) dollars per annum for clerk hire in said office."

Section 2. That Section 3, Chapter 383, Laws 1921, be amended so as to read as follows:

"Section 3. That the salary of the register of deeds of any such county shall be the sum of *two thousand (\$2000.00)* dollars per annum. *That in addition to the salary hereinbefore provided any such register of deeds shall be entitled to receive and retain all such fees as may become payable to him or her for the preparation of abstracts of title and the filing of chattel mortgages, and all other fees collected by any such register of deeds shall be paid thereby to the county in which any such office is located. That any such register of deeds shall also be allowed not to exceed the sum of \$900.00 per annum for clerk hire.*"

Approved April 5, 1923.

CHAPTER 159—S. F. No. 586.

An act to amend Sections 1, 2, 4 and 7 of Chapter 200, Laws of 1921, which said Chapter 200, Laws 1921, is entitled: "An act relating to mutual insurance companies."

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

Section 1. **Mutual insurance companies may insure.**—That section 1 of Chapter 200, Laws of 1921, be and the same is hereby amended so as to read as follows:

Section 1. Any mutual insurance company which establishes and maintains over and above its liabilities and the reserves required by law of a like stock insurance company, a guaranty fund available for the payment of losses and expenses at least equal to the capital stock and surplus, if any, required of a like stock insurance company, may issue policies of insurance without contingent liability, and when the articles of incorporation of any mutual insurance company having such guaranty fund so provide, such company may transact any and all of the kinds of business as set forth in Subdivisions 1 to 14 inclusive, of Chapter 138, Laws of 1915, as amended by Chapters 29 to 276, Laws of 1917, and by Chapter 413, Laws of 1919, subject to the restrictions and limitations imposed by law on a like stock insurance company, *and any domestic mutual company having a guaranty fund equal to the amount of capital stock and surplus required of a like stock insurance company, may insure the same kinds of property and conduct and carry on its business, subject only to the restrictions and limitations applicable to like domestic stock insurance companies;* provided, however, that section 3308, General Statutes 1913, shall not apply to such guaranty fund, save and except that the guaranty fund of such company shall be invested in the same manner as is provided by law for the investment of its other funds. Every such company shall, in its annual statement, show as separate items, the amount of the guaranty fund and the remaining divisible surplus, and the aggregate of such items shall be shown as surplus to policy holders.

A guaranty fund may be created in whole or in part in either or both of the following ways.

- (a) *Where an existing mutual company has a surplus, the members of the company may, at any regular or special meeting, set aside from and out of its surplus such sum, as shall be fixed by resolution, to be transferred to and thereafter constitute in whole or in part the guaranty fund of the company.*
- (b) *By the issuance of "guaranty fund certificates" as specified in section 4 of this act, the same to be issued upon the conditions and subject to the rights and obligations specified in said section 4.*

Any such company establishing a guaranty fund as hereinbefore provided may, subject to the restrictions and limitations imposed by law as to a like stock insurance company, amend its articles so as to provide for the doing by it of one or more of the kinds of insurance business specified in Subdivisions 1 to 14 inclusive, of Chap-

ter 138, Laws of 1915, as amended by Chapters 29 and 276 of Laws of 1917, and Chapter 413, Laws of 1919.

The policy liability of any such mutual company issuing policies without a contingent liability shall, as to such policies, be computed upon the same basis as is applicable to like policies issued by stock insurance companies; provided, however, that where any such company shall issue five year term policies, wherein the premiums shall be payable in annual or biannual installments, and no premium note is taken by the company as payment of the full term premium, such company then shall be required to maintain a reserve fund on only the portion of premiums actually collected from time to time under such term policies, and no such company so creating a guaranty fund shall issue policies without a contingent liability after the guaranty fund shall be impaired or reduced below the capital and surplus required of a like stock insurance company doing the same kind or kinds of insurance. Any company having a guaranty fund may insure, without a contingent liability, any kind or class of property which a like stock company may insure.

Sec. 2. **Restrictions.**—That section 2 of Chapter 200, Laws of 1921, be and the same is hereby amended so as to read as follows:

Section 2. When the articles of incorporation of any mutual insurance company, not having a guaranty fund of the amount required by section 1 of this act, so provide, it may transact any and all kinds of business as set forth in Subdivisions 1 to 14 inclusive, of Chapter 138, Laws of 1915, as amended by Chapters 29 and 276, Laws of 1917, and Chapter 413, Laws of 1919, subject to the conditions and restrictions as to the kinds of insurance which may be combined by a like stock insurance company, and subject to all restrictions contained in the laws of this state with reference to mutual insurance companies transacting the same kinds of business; *provided that nothing in this section contained shall be construed as prohibiting a company issuing policies with a contingent liability from creating a guaranty fund as authorized by section 4 of this act. Any mutual company however organized, may amend its articles so as to provide for the doing of two or more of the kinds of business specified in said Subdivisions 1 to 14 inclusive, of Chapter 138, Laws of 1915, as amended by Chapters 29 and 276, Laws of 1917, and Chapter 413, Laws of 1919.*

Sec. 3. **Directors and officers may advance money. Rate of interest.**—That section 4 of Chapter 200, Laws of 1921, be and the same is hereby amended so as to read as follows:

Section 4. Any director, officer, or member of any mutual insurance company, or any other person, may advance to such company, any sum or sums of money necessary for the purposes of its business, or to enable it to comply with any of the requirements of the law, *including the creation in whole or in part of a guaranty*

fund to enable it to do one or more of the kinds of business specified in section 1 of this act, and also for the creation by a company issuing policies with a contingent liability of a guaranty fund, in such amount as the board of directors shall determine, for the protection of policy holders of such company, and such moneys, together with such interest thereon as may have been agreed upon not exceeding 10 per cent per annum shall be repaid only out of the surplus remaining after providing for all reserves, if any, and other liability and which shall not otherwise be a liability or claim against the company or any of its assets. No commission or promotion expenses shall be paid in connection with the advance of any such money to the company, and the amount of such advance remaining unpaid shall be reported in each annual statement.

The company shall issue to each person so advancing money for the creation of a guaranty fund a certificate or certificates specifying the amount so advanced. Such certificates may be assigned by the holder thereof and a transfer thereof recorded upon the books of the company. The holders of such guaranty fund certificates shall be entitled to annual interest thereon at the rate agreed upon, if the net profits of the company, after all losses, expenses, liabilities and legal reserves, if any, have been paid or provided for, are sufficient to pay the same. If the net profits of the company in any year are insufficient to pay the full amount of interest agreed upon, the difference may be paid in any subsequent year or years from the net profits of such subsequent years.

Such guaranty fund shall be applied to the payment of losses and expenses when necessary and if the guaranty fund be impaired the directors may make good the whole or any part of such impairment from future net profits of the company, or by the issue and sale of additional guaranty fund certificates, but no interest shall be paid on the guaranty fund certificates while the guaranty fund is impaired. No certificate shall be issued except for money actually paid to the company, which amount shall be plainly and legibly stated therein. The company shall issue certificates only in sums of \$10.00 or multiples thereof; it shall keep a record of the name and address of the person to whom issued and of all assignments thereof. Upon the surrender of a certificate, duly assigned in writing, the company shall cancel the same and issue a new certificate to the assignee.

Each certificate holder of record shall be entitled to one vote in person or by proxy at any meeting of the members of the company for each \$10.00 investment by him in the guaranty fund certificates.

Such guaranty fund may be reduced or retired by vote of the board of directors of the company, if the net assets of the company, above its legal reserves, if any, and all other claims and obligations are sufficient therefor. The certificate holders shall be entitled to choose and elect from among their own members or

from among the policy holders at least one-half of the total number of directors.

In case the members of any company, by resolution adopted at any regular meeting, or special meeting called for that purpose, shall determine to wind up and liquidate the business of any such company, the assets thereof shall be applied, first, to the payment of the expense of such liquidation; second to the payment of any accrued liability, including losses, if any; third, to the payment of any unearned premiums on policies in force at the time of such liquidation; fourth, to the payment of guaranty fund certificates, if any, together with accrued interest thereon, if any; fifth, the residue shall be distributed to the policy holders who were such at the time of the adoption of such resolution, in the proportion which the face amount of the insurance carried by each policy holder bears to the total amount of insurance in force.

Sec. 4. Insurance of other kind not authorized.—That section 7 of Chapter 200, Laws of 1921, be and the same is hereby amended so as to read as follows:

Section 7. Nothing herein shall be deemed to authorize or permit mutual insurance companies to engage in any kind of insurance not included in said Subdivisions 1 to 14 of Chapter 138, Laws of 1915, inclusive, as amended, nor shall this act be deemed to apply to life insurance or life insurance companies, nor to Town Mutual Insurance Companies, Township mutual insurance companies, Township Mutual Livestock Insurance Companies, or Farmers and Township Mutual reinsurance or guarantee associations.

Sec. 5. This act shall take effect and be in force from and after its passage.

Approved April 9, 1923.

CHAPTER 160—H. F. No. 138.

An act prohibiting the public wearing under certain conditions, of masks or other means of concealment of the identity of persons and prescribing penalties for violations thereof.

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

Section 1. Wearing of masks prohibited.—It shall be unlawful for any person, either alone or in company with others, to appear on any street or highway, or in other public places or any place open to view by the general public, with his face or person partially or completely concealed by means of a mask or other regalia or paraphernalia, with intent thereby to conceal the identity of such person. The wearing of any such mask, regalia or paraphernalia by any person on any street or highway or in other public places or any place open to view by the general public, shall be presumptive evidence of wearing the