CHAPTER 279—H. F. No. 636.

(AMENDING SECTION 60.37 MINNESOTA STATUTES 1941.)

An act relating to investing of funds of domestic insurance companies; and amending Mason's Supplement 1940, Section 3322, as amended by Laws 1941, Chapter 143.

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

Section 1. **Law amended.**—That Mason's Supplement 1940, Section 3322, as amended by Laws 1941, Chapter 143, is amended to read as follows:

3322. **Capital stock to be paid in full—investment of funds.** —The capital of every stock company shall be paid in full in cash within six months from the date of its certificate of incorporation, and thereupon a majority of the directors shall certify under oath to the commissioner that such payment in cash has been made by the stockholders for their respective shares, and is held as the capital of the company, and until then no policy shall be issued. Except as otherwise provided by law, the funds of every domestic company shall be invested in, or loaned upon, one or more of the following kinds of securities or property, and under the restrictions and conditions herein specified, viz:

1. Bonds or treasury notes of the United States, national or state bank stock, interest-bearing bonds or certificates of indebtness at market value of this or any other state, or of any city, town, or county in this or any other state, or of the Dominion of Canada or any province thereof, having legal authority to issue the same, at market value, subject in every case to the same limitations and restrictions, according to the last assessment for taxation, which exists in this state upon issue of securities by such or like municipalities, at the date of the investment, or debentures issued by the Federal Housing Administrator or obligations of National Mortgage Associations.

2. Notes or bonds, approved by the commissioner, secured by first mortgage on improved real estate in this or any other state, or in the Dominion of Canada, worth at least twice the amount loaned thereon, not including buildings unless insured by policies in an amount approved by the commissioner payable to and held by the security holder, or by a trustee for the security holder, or notes or bonds secured by mortgage, or trust deed in the nature thereof, which the Federal Housing Administrator has insured or made a commitment to insure, *or in notes and bonds, approved by the commissioner, secured by a first mortgage on improved real estate in this or any other state where such notes or bonds do not exceed sixty per cent of the appraised value of the*

security for the same, provided that such notes or bonds are payable in installments aggregating not less than five per cent of the original principal per annum in addition to the interest; or, are payable on a regular amortization basis in equal installments, including principal and interest, such installments to be payable monthly in such amounts that the debt will be fully paid in not to exceed twenty years if the security is non-agricultural real estate, and such installments to be payable annually or semi-annually in such amounts that the debt will be fully paid in not to exceed twenty-five years if the security is agricultural real estate.

3. Stock or bonds at market value, approved by the commissioner, upon which stock interest or dividends of not less than three per cent have been regularly paid for three years immediately preceding the investment, of any corporation incorporated by or under the Laws of the United States, or any state, or the Dominion of Canada, or any province thereof; or in the stock or guaranty fund certificates of any insurance company; or in the stock or bonds of any real estate holding company whose real estate is used in whole or in part in the transacting of the insurance business of such insurance company, either directly or by reinsurance, or in the fee to real estate used in whole or in part in such business; or in the stock or bonds of any corporation owning investments in foreign countries used for purposes of legal deposit, when the insurance company transacts business therein direct or as reinsurance. The making of investments under this sub-division shall be subject to the approval of the commissioner of insurance.

4. Insurance policies, issued by itself, to an amount not exceeding the net or reserve value thereof.

5. Promissory notes maturing within six months secured by the pledge of registered terminal warehouse receipts issued against grain deposited in terminal warehouses as defined in Section 4435, Revised Laws of Minnesota for 1913. At the time of investing in such notes the market value of the grain shall exceed the indebtedness secured thereby, and the note or pledge agreement shall provide that the holder may call for additional like security or sell the grain without notice upon depreciation of the security. The insurance company may accept, in lieu of the deposit with it of the warehouse receipts, a trustee certificate issued by any national or state bank at a terminal point, certifying that the warehouse receipts have been deposited with it and are held as security for the notes. The amount invested in the securities mentioned in this sub-division shall not at any time exceed 25 per cent *of the capital stock of the company.*

6. Loans on pledge of any such securities, but not exceeding 80 per cent of the market value of stocks and 95 per cent of

the market value of bonds specified in subdivisions 1 and 3; and in all loans reserving the right at any time to declare the indebtedness due and payable when in excess of such proportion or upon depreciation of security.

Approved April 2, 1943.

Repealed 1949 c 406 sec 7 & 1953 c 127 sec 7 & 11

CHAPTER 280—H. F. No. 726.

An act relating to police pensions in cities of the first class in certain counties.

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

Section 1. **Amount of police pension in certain cities of the first class.**—Any police relief association or police pension relief association, now in existence and incorporated according to law, in any city of the first class in this state having and operating under a charter adopted in pursuance of Section 36, Article IV of the Constitution of Minnesota which is situated in a county having a population of not less than 450,000 inhabitants and an assessed valuation, including monies and credits, of more than $450,000,000, may pay out of and from any funds it may have received a service, disability, or dependency pension in such amounts and in such manner as its articles of incorporation or the constitution and by-laws shall designate, not exceeding the following sum per month to each pensioned member who shall have reached the age of 50 years or more and served 20 years or more in such department, or the widow, and children under 16 years of age:

A sum equal to one-half of the monthly compensation allowed such member as salary at the date of his retirement, when such member shall have arrived at the age of 50 years or more and served as a member of such paid municipal police department for a period of 20 years or more in the police department of the city in which such relief association shall be so organized or is so in existence, or who has been permanently disabled physically or mentally because of any injury received or suffered while a duly authorized member of such paid municipal police department so as to render necessary his retirement from active police service. Any such member who has been a member of such paid municipal police department for 20 years or more and who shall sever his connection with such paid municipal police department before he shall have attained the age of 50 years, shall be eligible to the benefits