

103 North, Range 45 West, more particularly described as follows: beginning at the Northwest corner of said Section 24; thence running East along the North line of said section, a distance of 330'; thence South parallel to the West line of said section a distance of 330'; thence Northwesterly in a straight line to a point in the West line of said section, 33' South of the Northwest corner of said section; thence North along the West line of said section to the point of beginning, except therefrom that portion of such tract now designated as right-of-way for public roads; that portion of the Northeast quarter (NE $\frac{1}{4}$) of Northwest quarter (NW $\frac{1}{4}$) of Section 24, Township 103 North, Range 45 West, lying Southwesterly of the existing Southwesterly boundary of Mound Springs Recreation Reserve, provided that the South 16 $\frac{1}{2}$ ' of said tract shall be subject to an easement for right-of-way purposes; and that portion of the Northwest quarter (NW $\frac{1}{4}$) of Northeast quarter (NE $\frac{1}{4}$), Section 24, Township 103 North, Range 45 West, more particularly described as follows: beginning at a point in the North line of said section; 1682.5' West of the Northeast corner of said section; thence East to the Northeast corner of the Northwest quarter (NW $\frac{1}{4}$) of the Northeast quarter (NE $\frac{1}{4}$); thence South along the East line of the Northwest quarter (NW $\frac{1}{4}$) of the Northeast quarter (NE $\frac{1}{4}$) a distance of 136.4'; thence Northwest a distance of 387.4' to the point of beginning.

Section. 2. **Acceptance of land in exchange.** All lands received by the commissioner on behalf of the state in pursuance of the exchange authorized in Section 1 hereof shall be accepted only after the attorney general has approved the title thereof as good and sufficient for the purpose, and when so accepted, shall be withdrawn from sale and shall be dedicated to the perpetual use of the public as a portion of the lands contained in the Mound Springs Recreation Reserve.

Approved April 23, 1945.

CHAPTER 557—S. F. No. 1061

An act relating to the investment of funds of domestic life insurance companies, amending Minnesota Statutes 1941, Section 61.11.

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

Section 1. Minnesota Statutes 1941, Section 61.11, is amended to read as follows :

61.11. Investment of domestic life insurance companies' funds. The capital, surplus and other funds of every domestic life insurance company, whether incorporated by special act or under the general law (in addition to investments in real estate as otherwise permitted by law) may be invested only in one or more of the following kinds of securities or property :

(1) Bonds or treasury notes or *other obligations* of the United States; bonds or *other obligations* of this state or of any state of the United States, or of the Dominion of Canada or any province thereof; *bonds or other obligations of, or insured or guaranteed by any of the foregoing or by any agency or instrumentality thereof*; bonds or *other obligations* of any county, city, town, village, organized school district, municipality, or civil division of this state, or of any state of the United States or of any province of the Dominion of Canada; debentures issued by the federal housing administrator; and obligations of national mortgage associations;

(2) Notes or bonds secured by first mortgage, or trust deed in the nature thereof, or improved real estate in this or any other state of the United States, having a value of at least fifty per cent more than the amount of the loan secured thereby, *not including any part of the amount of such loan which the United States or any agency or instrumentality thereof has insured or guaranteed or made a commitment to insure or guarantee*, but no improvement shall be included in estimating such value unless the same shall be insured against fire by policies payable to and held by the security holder or a trustee for its benefit; also, if approved by the commissioner of insurance, notes or bonds secured by mortgage or trust deed upon leasehold estates in improved real property where forty years or more of the term are unexpired and where unencumbered except by the lien reserved in the lease for the payment of rentals and the observance of the other covenants, terms and conditions of the lease and where the mortgagee, upon default, is entitled to be subrogated to, or to exercise, all the rights and to perform all the covenants of the lessee, provided that no loan on such leasehold estate shall exceed fifty per cent of the fair market value thereof at the time of such loan, and the value thereof shall be shown by the sworn certificate of a competent appraiser; notes or bonds secured by mortgage,

or trust deed in the nature thereof, which the *United States or any agency or instrumentality thereof* has insured or *guaranteed* or made a commitment to insure or *guarantee*;

(3) Bonds or obligations of railway companies, street railway companies, and other public utility corporations incorporated under the laws of this state, the United States or any state thereof, or the Dominion of Canada or any province thereof, which shall not be in default as to the principal or interest on any outstanding issue of bonds; the debentures of farm mortgage debenture companies organized under the laws of this state, and federal farm loan bonds;

(4) Stocks of national banks, state banks, and municipal corporations, and certificates of deposit of these banks; provided, that not more than five per cent of the admitted assets of the company shall be invested in these certificates of deposit; also stocks of railway companies, street railway companies, and other public utility corporations which have paid dividends in cash upon their stock at the rate of not less than three per cent for a period of three years preceding the investment; *provided that the investment in such stocks of any one corporation shall not exceed ten per cent of the total amount thereof issued and outstanding, or one-half of one per cent of the admitted assets of the domestic life insurance company, and that the investment in stocks authorized by this subdivision plus the investment in stocks authorized by subdivision (5) shall not exceed five per cent of its admitted assets;*

(5) *Stocks of any solvent institution not designated in subdivision (4) above, incorporated under the laws of the United States or of any state thereof, which has earned and paid dividends in cash upon the par value (or in case of stock having no par value, then upon its issued or stated value) of such stock at the rate of not less than four per cent in each of the last five fiscal years preceding the investment; provided that the investment in such stocks of any one corporation shall not exceed ten per cent of the total amount thereof issued and outstanding, or one-half of one per cent of the admitted assets of the domestic life insurance company, and that the investment in stocks authorized by this subdivision plus the investment in stocks authorized by subdivision (4) shall not exceed five per cent of its admitted assets;*

(6) *Railroad equipment trust obligations, comprising bonds, notes or certificates, which when issued are secured by new standard gauge rolling stock purchased or leased by any railroad incorporated in the United States or in Canada, or*

by the receiver or trustee of any such railroad, or by any corporation engaged in the business of leasing or furnishing railroad rolling stock, provided, however, that the entire issue of such obligations;

(a) Is required to be paid, in United States dollars within the United States, within fifteen years from date of issue in approximately equal installments payable annually or at more frequent intervals and commencing not later than three years after the date of issue, and

(b) Is of an aggregate amount not exceeding eighty per cent of the cost of the equipment securing such issue; but if issued originally in an amount which exceeded such eighty per cent, then investment in the obligations of such issue shall nevertheless be authorized as soon as or at any time after all the unpaid obligations of such issue are reduced to or are less than fifty per cent of the cost of the equipment securing such issue, provided no installments of principal or interest are in default.

(7) Stocks of any insurance company, provided that not more than four per centum of the admitted assets of any domestic life insurance company may be invested in stocks of other insurance corporations; bonds, debentures, or other similar obligations, or the preferred or guaranteed stocks, of any solvent institution incorporated under the laws of the United States or of any state thereof, where any such corporation, or in the case of guaranteed stocks the guaranteeing corporation, during each of the five fiscal years next preceding such investment shall have earned a sum applicable to dividends equal at least to four per centum upon the par value (or in the case of stock having no par value then upon its issued or stated value) of all its capital stock outstanding in each of such five years, and provided further that no such life insurance company shall invest in or loan on preferred stock of any corporation in excess of ten per cent of the total issued and outstanding preferred stock of such corporation, nor more than twenty per cent of the unassigned surplus and capital of such life insurance company;

(8) 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 233.01. At the time of investing in these 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 secu-

rity; 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; and the amount invested in the securities mentioned in this paragraph shall not, at any time, exceed 25 per cent of the unassigned surplus and capital of the company;

(9) *Certificates, notes or other obligations issued by trustees or receivers of any institution created or existing under the laws of the United States or of any state, district or territory thereof, which, or the assets of which, are being administered under the direction of any court having jurisdiction if such obligation is adequately secured as to principal and interest;*

(10) Loans on the security of insurance policies issued by itself to an amount not exceeding the net or reserve value thereof; and loans on the pledge of any of the securities enumerated in subdivisions (1) to (9) above, to the extent of the investment permitted in such securities, but not exceeding *ninety-five per cent of the market value of securities enumerated in subdivisions (1) and (3) above and eighty per cent of the market value of stocks and other securities*, and in loans authorized by this subdivision, except as otherwise provided by law in regard to policy 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.

No investment or loan, except policy loans, shall be made by any such life insurance company unless the same shall first have been authorized by the board of directors or by a committee thereof charged with the duty of supervising the investment or loan. No such company shall subscribe to or participate in any underwriting of the purchase or sale of securities or property, or enter into any transactions for such purchase or sale on account of the company jointly with any other person, firm, or corporation, *without the approval of the Commissioner of Insurance*; nor shall any such company enter into any agreement to withhold from sale any of its property, but the disposition of its property shall be, at all times, within the control of its board of directors.

Approved April 23, 1945.