or certificates of indebtedness shall be for less than par value including accrued interest.

Sec. 3. **Tax levy.** The funds for the payment of such bonds or certificates of indebtedness and interest as they mature shall be provided by the annual levy of a tax not exceeding one-half mill upon all property subject to taxation and for the purposes authorized under Minnesota Statutes 1949, Section 38.27, which levy shall be authorized by the county board and made annually commencing with the year wherein such bonds or certificates of indebtedness are sold and shall continue annually thereafter until sufficient money has accumulated in the county treasury to assure payment in full of such bonds or certificates of indebtedness and interest.

Sec. 4. **Approval of plans.** Whenever the proceeds of such bonds or certificates of indebtedness are appropriated and paid over to the county agricultural society of such county which is a member of the state agricultural society for the purpose of assisting such county agricultural society in purchasing additional grounds and to aid in the construction, alteration, repair, and improvement of necessary buildings for county fair purposes by such agricultural society, or for the purpose of aiding such county agricultural society in defraying its financial obligations now or hereafter incurred, it shall be necessary for the county board, by resolution adopted by the unanimous vote of its members, to first approve the plans and specifications of such county agricultural society for the purchase of such additional grounds or construction, alteration, repair, and improvement of necessary buildings already undertaken or proposed.

Approved April 6, 1951.

CHAPTER 280—H. F. No. 1290

An act relating to provisions required to be included in life insurance policies; amending Minnesota Statutes 1949, Section 61.30.

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

Section 1. Minnesota Statutes 1949, Section 61.30, is amended to read as follows:

61.30 **Necessary provisions.** No policy of life insurance shall be issued in this state or be issued by a life insurance company organized under the laws of this state unless the same contains the following provisions:

(1) A provision that all premiums shall be payable in advance either at the home office of the company, or to an agent of the company, upon delivery of a receipt signed by one or more officers named in the policy and countersigned by the agent, but any policy may contain a provision that the policy itself shall be a receipt for the first premium;

(2) A provision for a grace of one month for the payment of every premium after the first, which may be subject to an interest charge, during which month the insurance shall continue in force, which provision may contain a stipulation that if the insured dies during the month of grace the overdue premium will be deducted in any settlement under the policy;

(3) A provision that the policy constitutes the entire contract between the parties and is incontestable after it is in force during the lifetime of the insured for two years from its date, except for non-payment of premiums and except for violations of the conditions of the policy relating to naval and military services in time of war and, at the option of the company, provisions relative to benefits in the event of total and permanent disability and provisions which grant additional insurance specifically against death by accident, may be excepted; a special form of policy may be issued on the life of a person employed in an occupation classed by the company as extra hazardous or as leading to hazardous employment, which provides that service in certain designated occupations may reduce the company's liability under the policy to a certain designated amount not less than the full policy reserve;

(4) A provision that, in the absence of fraud, all statements made by the insured shall be deemed representations and not warranties, and that no such statement shall avoid the policy unless it is contained in a written application, and a copy of the application is endorsed upon or attached to the policy when issued;

(5) A provision that if the age of the insured is understated, the amount payable under the policy shall be such as the premium would have purchased at the correct age;

(6) A provision that the policy shall participate in the surplus of the company and that, beginning not later than the end of the third policy year, the company will, annually, determine and account for the portion of the divisible surplus accruing on the policy, and that the owner of the policy shall have the right, each year after the fifth to have the current dividend arising from such participation paid in cash, and if the policy shall provide other dividend options, it shall *specify which option shall be effective* if the owner of the policy shall not elect any option, which provision may stipulate that any dividends payable during the first five years of such policy shall be conditioned upon the payment of the next ensuing annual premium; this provision shall not be required in non-participating policies, nor in policies issued on under-average lives, nor in insurance in exchange for lapsed or surrendered policies;

(7) A provision that after three full years' premiums have been paid, the company at any time while the policy is in force, will advance, on proper assignment of the policy, and on the sole security thereof, at a specified rate of interest, a sum equal to, or, at the option of the owner of the policy, less than the loan value thereof. In case of policies issued prior to the operative date of the Standard Non-forfeiture Law such loan value shall be the reserve at the end of the current policy year on the policy, and on any dividend additions thereto, specifying the mortality table and rate of interest adopted for computing such reserve, less a sum of not more than two and one-half per cent of the amount insured by the policy, and of any dividend additions thereto; the policy shall provide that such loan may be deferred for not exceeding 60 days after the application therefor is made and may further provide that such loan may be deferred for not exceeding six months after the application therefor is made; in case of policies issued on or after the operative date of the Standard Non-forfeiture Law such loan value shall be the cash surrender value thereof at the end of the current policy year, and the policy shall provide that such loan, except when made to pay premiums, may be deferred for not exceeding six months after the application therefor is made; in either case it shall be further stipulated in the policy that the company will deduct from such loan value any existing indebtedness on the policy and any unpaid

balance of the premium for current policy year, and may collect interest in advance on the loan to the end of the current policy year, and that the failure to repay any such advance or to pay interest shall not avoid the policy unless the total indebtedness thereon to the company shall equal or exceed such loan value at the time of such failure, nor until one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee of record at the home office of the company; no condition other than as herein provided shall be exacted as a prerequisite to any such advance; but this provision shall not be required in term insurance. [;]

(8) A provision which, in event of default in premium payments, after premiums shall have been paid for three years, shall secure to the owner of the policy a stipulated form of insurance, the net value of which shall be at least equal to the reserve at the date of default on the policy and on any dividend additions thereto, specifying the mortality table and the rate of interest adopted for computing such reserves, less a sum not more than two and one-half per cent of the amount insured by the policy, and of any existing dividend additions thereto, and less any existing indebtedness to the company on the policy; this provision shall stipulate that the policy may be surrendered to the company at its home office within one month from date of default for a specified cash value at least equal to the sum which would otherwise be available for the purchase of insurance as aforesaid, and shall stipulate that the company may defer payment for not more than 60 days after the application therefor is made, and may stipulate that the company may defer payment for not more than six months after the application therefor is made; but this provision shall not be required in term insurance of 20 years or less or in any policy issued on or after the operative date of the Standard Non-forfeiture Law;

(9) A table showing in figures the loan values and the options available under the policies each year upon default in premium payments, during at least the first 20 years of the policy, beginning with the year in which such values and options become available;

(10) A provision that if, in event of default in premium payments, the non-forfeiture value of the policy shall be applied to the purchase of other insurance, and if such

insurance shall be in force and the original policy shall not have been surrendered to the company and canceled, the policy may be reinstated within three years from such default, upon evidence of insurability satisfactory to the company, and payment of arrears of premiums, with interest;

(11) A provision that, when a policy becomes a claim by the death of the insured, settlement shall be made upon receipt of due proof of death, or not later than two months after receipt of such proof;

(12) A table showing the amount of installments in which the policy may provide its proceeds may be payable;

(13) A title on the face and on the back of the policy correctly describing the same.

Any of the foregoing provisions or portions thereof relating to premiums not applicable to single premium policies shall not be incorporated therein.

Approved April 6, 1951.

CHAPTER 281—H. F. No. 1331

[Not Coded]

An act relating to county welfare boards in counties having a population of over 75,000, and an area of over 5,000 square miles; amending Minnesota Statutes 1949, Section 264.01, Subdivision 4.

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

Section 1. Minnesota Statutes 1949, Section 264.01, Subdivision 4, is amended to read:

Subd. 4. *Annually on the first Monday in January,* the board shall elect from its number a chairman, and vice-chairman to serve for one year, and until their successors qualify. It shall make rules for the government of its proceedings, and fixing the time for holding its meetings, and may amend the same at any time; provided, however, that all of its meetings