

year on land owned by the trainer or on land that written permission to use shall have been obtained from the owner, which permission must be carried on the person of the trainer while field training dogs. Permittee shall be subject to all provisions of section 100.29, subdivision 20, not inconsistent with this subdivision.

Approved March 27, 1961.

CHAPTER 177—S. F. No. 731

An act relating to practical nursing, increasing the annual registration fee for licensed practical nurses, and increasing the per diem allowance for members of the board of nursing, amending Minnesota Statutes 1957, Section 148.294, Subdivision 1, and Section 148.296, Subdivision 2.

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

Section 1. Minnesota Statutes 1957, Section 148.294, Subdivision 1, is amended to read:

Subdivision 1. **Practical nurses; annual registration.** Every licensed practical nurse shall register annually with the board for each calendar year and pay a fee of ~~\$1~~ \$2 on or before December 31 of the immediately preceding year; thereupon, the board shall issue a certificate of renewal registration. A penalty fee of \$1 shall be added for renewal registration applications postmarked after December 31 of the immediately preceding year.

Sec. 2. Minnesota Statutes 1957, Section 148.296, Subdivision 2, is amended to read:

Subd. 2. **Board members, per diem.** Each member of the board shall receive, in addition to necessary traveling and hotel expenses, ~~\$10~~ \$20 per day for each day actually engaged in the discharge of board duties, including travel time.

Approved March 27, 1961.

CHAPTER 178—S. F. No. 732

An act relating to investment of funds of domestic insurance companies; amending Minnesota Statutes 1957, Sections 61.11, 61.12, Subdivision 3, and 60.37.

Changes or additions indicated by italics, deletions by ~~strikeout~~.

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

Section 1. Minnesota Statutes 1957, Section 61.11, is amended to read:

61.11 Domestic companies, investments. *Subdivision 1.* 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) *Subd. 2.* 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; obligations of national mortgage associations; or obligations payable in United States dollars issued or fully guaranteed by International Bank for Reconstruction and Development not exceeding in aggregate face amount three percent of the total admitted assets of such life insurance company;

(2) *Subd. 3.* Notes or bonds secured by first mortgage, or trust deed in the nature thereof, on improved real estate in the United States, having a value of at least 50 per cent more than the amount of the loan secured thereby, ~~not including any part of the amount of such loan or, when the loan is to be fully amortized by installment payments of principal and interest at least annually over a period of not to exceed 30 years, of at least 33-1/3 percent more than the amount of such loan. In calculating the ratio of the value of property to the loan secured thereby, no part of the amount of any loan is to be included which the United States or any agency or instrumentality thereof has insured or guaranteed or made a commitment to insure or guarantee; ; provided, in no event shall the loan exceed the value of the property.~~ ~~but~~ No improvement shall be included in estimating ~~such the~~ value of such real estate unless the same shall be insured against fire by policies payable to and held by the security

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holder or a trustee for its benefit. Also, if approved by the commissioner, notes or bonds secured by mortgage or trust deed upon leasehold estates in improved real property where 40 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 50 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) *Subd. 4.* 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) *Subd. 5.* Certificates of deposit of banks organized under the laws of the United States or any state thereof; provided, that not more than five percent of the admitted assets of the company shall be invested in these certificates of deposit; *provided, however, that such investment of any company with admitted assets of less than one million dollars may be made to the extent of ten percent of the admitted assets, where the amount invested in such certificates of deposit in any bank does not exceed the amount insured by the Federal Deposit Insurance Corporation.*

(5) *Subd. 6.* Stocks, bonds, notes, or other evidences of indebtedness as set forth in this subdivision, provided that no investment may be made which will increase the aggregate investment in all stocks beyond ten per cent of admitted assets as of the end of the preceding calendar year; in applying the standards prescribed in clauses (b), (c), and (d) of this subdivision to the stocks, bonds, notes, or other evidences of indebtedness of a corporation which

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in the qualifying period preceding purchase of such stocks, bonds, notes or other evidences of indebtedness acquired its property or a substantial part thereof through consolidation, merger, or purchase, the earnings of the several predecessors or constituent corporations shall be consolidated;

(a) Stocks of banks, insurance companies, and municipal corporations organized under the laws of the United States or any state thereof; but not more than seven percent of the admitted assets of any domestic life insurance company may be invested in stocks of other insurance corporations and banks;

(b) Common stocks of any corporation not designated in clause (a) of this subdivision, organized under the laws of the United States or any state thereof, which (1) over the five completed fiscal years immediately preceding date of purchase earned an average amount per annum applicable to dividends on its common stock at least equal to six percent of the par value of its common stock (or in case of common stock having no par value, of the issued or stated value of such stock) outstanding at date of purchase, and (2) earned such amount during each of three of said five fiscal years; but the company shall not invest in more than ten percent of the common stock of any one such corporation;

(c) Preferred stock of; or common or preferred stock guaranteed as to dividends by, any corporation not designated in clause (a) of this subdivision, organized under the laws of the United States or any state thereof, which (1) over the five completed fiscal years immediately preceding date of purchase earned an average amount per annum applicable to dividends at least equal to five per cent of the par value of its common and preferred stocks (or, in the case of stocks having no par value, of its issued or stated value) outstanding at date of purchase, and (2) earned such amount during each of three of said five fiscal years; or which (1) over such period earned an average amount per annum at least equal to two times the total of its annual fixed charges and preferred dividends, determined with reference to the date of purchase and (2) earned such amount during each of three of said five fiscal years. No investment shall be made under this clause (c) in a stock upon which any dividend is in arrears or has been in arrears for an aggregate of 90 days within the immediately preceding three-year period; but the company shall not invest in more than 20 percent of the preferred stock of any one such corporation and the total

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investment in the preferred and common stocks of any one such corporation shall not exceed ten percent of the aggregate par or stated value of the preferred and common stocks of such corporation;

(d) Bonds, notes, debentures, or other evidences of indebtedness, issued or guaranteed by a corporation (other than a corporation designated in ~~clause (3)~~ *subdivision 4* organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof, which, (1) over the five completed fiscal years immediately preceding date of purchase, earned an average amount per annum applicable to dividends at least equal to four percent upon the par value (or in 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 (2) earned such amount during each of three of said five fiscal years. No investment shall be made under this clause (d) upon which any interest obligation is in default or which has been in default for an aggregate of 90 days within the immediately preceding three-year period.

~~(6)~~ *Subd. 7.* Railroad equipment obligations, comprising bonds, notes, certificates, conditional sales contracts or other adequately secured instruments, not exceeding the cost or fair value of such railroad equipment whichever is less, which when issued are secured by 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, that the entire issue of such obligations is required to be paid within 15 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.

~~(7)~~ *Subd. 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 security; the insurance company may accept, in lieu of the deposit with it of the warehouse receipts,

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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 subdivision shall not, at any time, exceed 25 percent of the unassigned surplus and capital of the company;

~~(8)~~ *Subd. 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; the amount invested in the securities mentioned in this subdivision shall not, at any time, exceed 25 percent of the unassigned surplus and capital of the company;

~~(9)~~ *Subd. 10.* Real estate sales contracts to which the company is not an original party, ~~involved~~ *involving* unencumbered real property situated in the United States, having a value of at least 50 percent more than the amount of the unpaid balance of the contract, same to be assigned or otherwise transferred to the company or to a trustee or nominee of its choosing. No improvement shall be included in estimating the value unless the same shall be insured against fire by policies payable to and held by the company or a trustee or nominee for its benefit. The foregoing provisions of this subdivision shall not apply to real estate sales contracts to which the company is an original party and shall not prohibit the company from holding such contracts as an investment.

~~(10)~~ *Subd. 11.* Loans on the security of insurance policies issued by itself to an amount not exceeding the loan value thereof; and loans on the pledge of any of the securities eligible for investment under the provisions of subdivisions ~~(1)~~ 2 to ~~(9)~~ 10 above, but not exceeding 95 percent of the value of securities enumerated in clauses ~~(1)~~, ~~(2)~~ and ~~(3)~~ subdivisions 2, 3 and 4 above and 80 percent of the value of stocks and other securities; in case of securities enumerated in subdivisions ~~(2)~~, ~~(4)~~ and ~~(9)~~ 3, 5 and 10 "value" means principal amount unpaid thereon and in case of other securities market value thereof; in case of securities enumerated in clauses ~~(2)~~ and ~~(9)~~ subdivisions 3 and 10 the pledge agreement shall require principal payments by the pledgor at least equal to and concurrent with principal payments on the

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pledged security; in loans authorized by this ~~clause~~ *subdivision*, except as otherwise provided by law in regard to policy loans, the company shall reserve the right at any time to declare the indebtedness due and payable when in excess of such proportions of value or, in case of pledge of securities other than those enumerated in ~~clauses (2) and (9)~~ *subdivisions 3 and 10*, upon depreciation of security.

~~(11)~~ *Subd. 12.* Investments conforming to the categories, conditions, and standards set forth in the foregoing subdivisions of this section but which exceed in amount the limits prescribed therefor, except that the following limits shall not be exceeded; no stock shall be purchased which will increase the company's aggregate investment in all stocks beyond ten percent of its admitted assets as of the end of the preceding calendar year. The amount invested pursuant to this subdivision shall not exceed in the aggregate two percent of the company's admitted assets.

No investment or loan, except policy loans, shall be made by any such life insurance company unless the same shall have been authorized by the board of directors or by a committee charged with the duty of supervising the investment or loan, and in either case accurate records of all authorizations shall be maintained. Any company doing business in a foreign country may invest the funds required to meet its obligations incurred in such foreign country in conformity to the laws thereof in the kind of securities of such foreign country in which the company is authorized to invest in this state. 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; 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. Nothing contained in this paragraph shall be construed to invalidate or prohibit an agreement by two or more investors to join and share in the purchase of investments for bona fide investment purposes, provided that, in such investments secured by mortgage or deed of trust, provisions be made for a method of resolving any matters relating thereto as to which the investors are not in agreement.

Section 2. Minnesota Statutes 1957, Section 61.12, Subdivision 3, is amended to read:

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Subd. 3. **Acquisition of property.** Any domestic life insurance company may acquire real property other than property to be used primarily for agricultural, horticultural, ranch, mining, recreational, amusement, hotel, club, or church purposes, as an investment for the production of income, and improve or otherwise develop, and lease, sell, and convey the same, subject to the following conditions and limitations: (1) the cost of each parcel of real property acquired pursuant to this subdivision, including the estimated cost to the company of the improvement or development thereof, when added to the book value of all other real property then held by it pursuant to this subdivision, shall not exceed five per cent of its admitted assets as of the end of the preceding calendar year, and (2) the cost of each parcel of real property acquired pursuant to this subdivision, including the estimated costs to the company of the improvement or development thereof, shall not exceed one-half of one per cent of its admitted assets as of the end of the preceding calendar year. Each parcel of real property held by the company under this subdivision shall be valued on its books as of the end of each calendar year at an amount that will include a write-down of the cost of such property, including all improvement or development costs, at a rate that will average not less than two per cent per annum of such cost for each year or part thereof that the property has been so held, and (3) if, as of the end of any calendar year, the aggregate net income before depreciation from all the properties held by the company under this subdivision, less the sum of all previous write-downs applied with respect to such properties shall exceed *five five and one-half* per cent per annum on the total book value of all such properties for the entire period during which such properties have been so held, the amount of such excess shall be applied, in such amounts as to such properties as the company shall determine, as a further write-down of such total book value. In order to enable the commissioner to obtain comparable information from all companies with respect to their operations under this subdivision and to determine compliance therewith, he may, by regulation, prescribe a uniform classification of all items of investment, income and expense, and a uniform method of reporting such operations.

Section 3. Minnesota Statutes 1957, Section 60.37 is amended to read:

60.37 Stock companies, payment for capital stock; domestic companies, investments. *Subdivision 1.* The

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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 in this section.*

~~(1)~~ *Subd. 2.* Bonds or treasury notes or other obligations of the United States; obligations guaranteed by the United States; obligations payable in United States dollars issued or fully guaranteed by International Bank for Reconstruction and Development not exceeding in aggregate face amount five percent of the total admitted assets of such company; national or state bank stock; interest-bearing bonds or certificates of indebtedness or other obligations at market value of this or any other state, or any governmental subdivision or municipal corporation in this or any other state, or of the Dominion of Canada or any province or any governmental subdivision or municipal corporation thereof, having legal authority to issue the same, at market value; or debentures issued by the Federal Housing Administrator or obligations of national mortgage associations;

~~(2)~~ *Subd. 3.* Notes or bonds secured by first mortgage, *or trust deed in the nature thereof*, on improved real estate in this or any other state, or in the Dominion of Canada, having a value of at least 50 percent more than the amount of the loan secured thereby, *or, when the loan is to be fully amortized by installment payments of principal and interest at least annually over a period of not to exceed 30 years, of at least 33-1/3 percent more than the amount of such loan*, not including buildings unless insured by policies 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, or other obligations which the United States or any agency or instrumentality thereof has insured or guaranteed or made a commitment to insure or guarantee;

~~(3)~~ *Subd. 4.* Common stocks upon which dividends of not less than three percent of par or stated value have been regularly paid for three years immediately preceding

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the investment; and bonds, not in default, at market value, 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 preferred stocks at market value of any solvent corporation incorporated by or under the laws of the United States or any state, or the Dominion of Canada or any province thereof provided such corporation's net income available for fixed charges after deducting federal and state income taxes must have averaged for the five fiscal years preceding investment at least 1-1/2 times the sum of annual fixed charges, contingent interest and preferred dividends, all computed as of the date of investment; and upon which bonds or preferred stocks, interest or dividends have not been in arrears for an aggregate of 90 days within the preceding three years; or in the stock or guaranty fund certificates of any insurance company, whether previously existing or in process of being organized and whether or not engaged in writing the same type of insurance as the acquiring corporation, which investment must be approved by the commissioner; or in the stock or bonds of any real estate holding company, which investment must be approved by the commissioner, 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;

(4) *Subd. 5.* Promissory notes maturing within six months, secured by the pledge of warehouse receipts issued against commodities deposited in public warehouses; at the time of investing in such notes the market value of the commodities 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 commodities 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 herein shall not, at any time, exceed 25 percent of the capital stock of the company; and

Subd. 6. Notes, debentures, or evidences of indebted-

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ness other than bonds issued or guaranteed by a corporation organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof, which, (1) over the five completed fiscal years immediately preceding date of purchase, earned an average amount per annum applicable to dividends at least equal to four percent upon the par value (or in 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 (2) earned such amount during each of three of said five fiscal years. No investment shall be made under this clause upon which any interest obligation is in default or which has been in default for an aggregate of 90 days within the immediately preceding three-year period.

~~(5)~~ Subd. 7. Loans on pledge of any such securities, but not exceeding 80 percent of the market value of stocks or other securities and 95 percent of the market value of bonds specified in ~~clause (1)~~ subdivision 2; 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 March 27, 1961.

CHAPTER 179—H. F. No. 536

[Not Coded]

An act authorizing the sale of certain state trust fund land in Itasca county.

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

Section 1. **Sale of state land in Itasca county.** The commissioner of conservation is hereby authorized to offer for sale at public auction, in the manner as provided for sale of state trust fund lands, the following described state trust fund land in Itasca County:

The south 400 feet of the west 217.8 feet of Lot Nine (9), Section Twenty (20), Township One Hundred Forty-eight (148) North, Range Twenty-seven (27) West of the Fifth Principal Meridian.

Approved March 27, 1961.

Changes or additions indicated by *italics*, deletions by ~~strikeout~~.