

internal management of mutual fire insurance companies in so far as the same may be applicable and not inconsistent therewith.

Sec. 9. Minnesota Statutes 1971, Section 68A.01, Subdivision 3, is amended to read:

Subd. 3. **DEPOSIT OF GUARANTY FUND.** The securities in which the guaranty fund is invested shall be duly deposited with the commissioner in accordance with section 60A.10, subdivision 4, and his certificate thereof procured, as provided by law. This deposit shall be maintained unimpaired and the principal of the fund shall be applied only to the payments of losses and expenses by reason of its guaranty and insurance contracts, with the right to the company to collect the income thereof and to substitute other like securities of equal amount and value from time to time. In the case of a foreign insurer, the deposit may be made with the commissioner of the domicile state of such foreign insurer and his certificate thereof shall be accepted by the commissioner.

Approved April 10, 1974.

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**CHAPTER 426—H.F.No.1386**  
[Coded]

*An act relating to insurance; requiring insurance agents to issue written memoranda with respect to new or altered insurance coverage; providing a penalty; amending Minnesota Statutes 1971, Section 60A.17, by adding a subdivision.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1971, Section 60A.17, is amended by adding a subdivision to read:

**Subd. 14. INSURANCE; ALTERING EXISTING POLICIES; WRITTEN BINDERS REQUIRED.** Any insurance agent having express authority to bind coverage, who orally agrees on behalf of an insurer to provide insurance coverage, or to alter an existing insurance agreement, shall execute and deliver a written memorandum or binder containing the terms of the oral agreement to the insured within three business days from the time the oral agreement is entered into. The commissioner may suspend or revoke the license of any agent who fails to comply with this subdivision in accordance with the provisions of subdivisions 7, 8 and 9 of this section.

Approved April 10, 1974.

Changes or additions indicated by underline deletions by ~~strikeout~~