

the direct and sole obligation of the association or company entering into such contract with the district.

If the board deems it advisable, it may authorize employees to collect fees from the pupils enrolled in said school who are to be or are covered by such contract, and to make payment of the premium or other charge for such contract or protection. The payment of such premium or other charge may be made from funds received from the federal government or from the state or any governmental subdivision thereof, or from funds derived by a tax levy or the issuance of bonds.

The payment of any fees, premium or other charge by such child shall not thereby make the district liable for any injuries incurred from such ~~athletic or supervised physical~~ school activities.

Approved April 8, 1976.

CHAPTER 213—H.F.No.2335

An act relating to insurance; revising financial requirements for certain insurance companies; amending Minnesota Statutes 1974, Section 60A.07, Subdivisions 5a, 5b, 5c and 5d.

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

Section 1. Minnesota Statutes 1974, Section 60A.07, Subdivision 5a, is amended to read:

Subd. 5a. **INSURANCE; FINANCIAL REQUIREMENTS; STOCK COMPANIES.** No insurance company operating upon the stock plan shall be initially authorized to transact any one of the kinds of business enumerated in section 60A.06, subdivision 1, clauses (1) to (15), unless it shall have paid-up capital stock and surplus of not less than the amounts specified below ; ~~provided that~~. Except as otherwise provided by this subdivision, after initial authorization has been granted, ~~the surplus shall thereafter~~ be constantly maintained in an amount ~~equal to~~ not less than one-half of the surplus originally required for that kind of business. If the kind of business being transacted is of the type authorized by section 60A.06, subdivision 1, clause (4), surplus shall be constantly maintained after initial authorization in an amount not less than 25 percent of the amount of surplus originally required.

	Paid Up Capital Stock		Surplus	
Clause (1),	\$200,000	\$350,000	\$200,000	\$350,000
Clause (2),	\$200,000	<u>\$350,000</u>	\$200,000	\$350,000
Clause (3),	\$200,000		\$200,000	
Clause (4),	\$300,000	<u>\$1,000,000</u>	\$300,000	<u>\$2,000,000</u>
Clause (5),	\$200,000		\$200,000	

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Clause (5a),		\$500,000		\$1,000,000
Clause (5b),		\$500,000		\$1,000,000
Clause (6),	\$350,000	\$500,000	\$350,000	\$500,000
Clause (7),	\$200,000	\$500,000	\$200,000	\$500,000
Clause (8),	\$200,000		\$200,000	
Clause (9),	\$200,000		\$200,000	
Clause (10),	\$200,000		\$200,000	
Clause (11),	\$200,000	\$350,000	\$200,000	\$700,000
Clause (12),	\$350,000	\$500,000	\$350,000	\$1,000,000
Clause (13),	\$200,000	\$500,000	\$200,000	\$1,000,000
Clause (14),	\$200,000		\$200,000	
Clause (15),	\$200,000	\$350,000	\$200,000	\$350,000

Sec. 2. Minnesota Statutes 1974, Section 60A.07, Subdivision 5b, is amended to read:

Subd. 5b. **FINANCIAL REQUIREMENTS; MUTUAL COMPANIES.** No insurance company operating upon the mutual plan as provided in chapter 66A, shall be authorized to transact any one of the kinds of business enumerated in section 60A.06, subdivision 1, clauses (1) to (3) and (5) to (15), unless in addition to the requirements specified in chapter 66A it shall have met the following requirements as to surplus: As to a mutual company operating on a non-assessable basis, an initial surplus of not less than the amount of surplus enumerated in subdivision 5a for a stock company authorized to transact that kind of business, provided that after initial authorization has been granted, the surplus shall thereafter be constantly maintained in an amount equal to not less than one-half of such initial surplus; as to a mutual company operating on an assessable basis, an initial surplus of not less than one-half of the amount of surplus enumerated in subdivision 5a for a stock company authorized to transact that kind of business, provided that after initial authorization has been granted, the surplus shall thereafter be constantly maintained in an amount equal to not less than one-half of such initial surplus.

No insurance company operating upon the mutual plan shall be authorized to transact the kind of business enumerated in section 60A.06, subdivision 1, clause (4), unless it shall have surplus of not less than ~~\$600,000~~ \$3,000,000; provided that after initial authorization has been granted, the surplus shall thereafter be constantly maintained in an amount of not less than ~~\$450,000~~ \$1,500,000.

No insurance company operating upon the mutual plan, other than as provided in chapter 66A, shall be authorized to transact the kind of business enumerated in section 60A.06, subdivision 1, clause (5) (a), unless it shall have a surplus of not less than \$1,500,000; provided that after initial authorization has been granted, the surplus thereafter shall be constantly maintained in the amount of not less than \$1,000,000.

Sec. 3. Minnesota Statutes 1974, Section 60A.07, Subdivision 5c, is amended to read:

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Subd. 5c. **AUTHORIZATION TO TRANSACT MORE THAN ONE KIND OF BUSINESS.** Any insurance corporation authorized to transact the kinds of business specified in section 60A.06, subdivision 1, clause (4) may also transact the kinds of business specified in section 60A.06, subdivision 1, clause (5) (a) , upon meeting the following financial requirements: As to companies operating upon the stock plan, paid-up capital stock of not less than ~~\$450,000~~ \$1,000,000 and an initial surplus of not less than ~~\$450,000~~ \$2,000,000 which surplus shall thereafter be constantly maintained in the amount of not less than ~~\$225,000~~ \$500,000 ; as to companies operating on the mutual plan, an initial surplus of not less than ~~\$900,000~~ \$3,000,000 which shall thereafter be constantly maintained in the amount of ~~\$675,000~~ not less than \$1,500,000 .

Any insurance corporation which prior to January 1, 1949 was authorized to transact personal injury liability insurance and also the kinds of business specified in section 60A.06, subdivision 1, clauses (4) and (5) shall continue to be authorized to transact personal injury liability insurance , providing the corporation continues to meet the revised financial requirements of this subdivision .

Any stock company may, when authorized by its articles of incorporation, transact any two or ~~at more~~ of the kinds of business specified in section 60A.06, subdivision 1, clauses (1) to (3) and (5) to (15), upon meeting the following financial requirements: paid-up capital stock of not less than ~~\$500,000~~ \$1,000,000 and an initial surplus of not less than ~~\$500,000~~ \$1,000,000 which surplus shall thereafter be constantly maintained in the amount of not less than ~~\$350,000~~ \$500,000 ; provided, however, that if the sum of the capital stock and surplus requirements specified in subdivision 5a for the kinds of business to be transacted is less than the amount of the capital stock and surplus requirements stated in the foregoing clauses of this sentence, then the company may transact those kinds of business upon meeting the capital stock and surplus requirements specified in subdivision 5a for those kinds of business. Any insurance company operating upon the mutual plan as provided in chapter 66A, may, when authorized by its articles of incorporation, transact any two or ~~at more~~ of the kinds of business specified in section 60A.06, subdivision 1, clauses (1) to (3) and (5) to (15), upon meeting the following requirements as to surplus which shall be in addition to the requirements specified in chapter 66A: as to mutual companies operating on a non-assessable basis, an initial surplus of not less than ~~\$500,000~~ \$1,000,000 , which surplus shall thereafter be constantly maintained in the amount of not less than ~~\$350,000~~ \$500,000 ; as to mutual companies operating on an assessable basis, an initial surplus of not less than ~~\$250,000~~ \$750,000 , which surplus shall thereafter be constantly maintained in the amount of not less than ~~\$175,000~~ \$375,000 ; provided, however, that if the sum of the surplus requirements specified in subdivisions 5a and 5b for the kinds of business to be transacted is less than the amount of the surplus requirements stated in the foregoing clauses of this sentence, then the company may transact those kinds of business upon meeting the surplus requirements specified in subdivisions 5a and 5b for those

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kinds of business.

Sec. 4. Minnesota Statutes 1974, Section 60A.07, Subdivision 5d, is amended to read:

Subd. 5d. **APPLICATION.** ~~Subdivisions 5a to 5c shall be effective August 13, 1967, and thereafter~~ All insurance companies shall meet the revised requirements ; ~~provided, however, that of this act, except as hereinafter provided.~~ Any company authorized to transact a particular kind or kinds of insurance as specified in section 60A.06, subdivision 1, ~~on August 13, 1967, may continue to do so without complying with the revised requirements. After August 13, 1967, any insurance company which seeks authority to transact an additional kind or kinds of insurance shall, as a condition to the granting of such authority, comply with the revised requirements of subdivisions 5a to 5c as to such additional kind or kinds of insurance that it is authorized to transact the effective date of this act may continue until January 1, 1983 to conduct the same kind or kinds of insurance by meeting and maintaining the applicable capital, surplus, and guaranty fund requirements which were in effect immediately prior to the effective date of this act. On and after January 1, 1983, all companies shall be required to meet the applicable revised capital, constantly maintained surplus, and guaranty fund requirements of subdivisions 5a, 5b, and 5c, for those kinds of business which it is authorized to transact on January 1, 1983 .~~

Notwithstanding the foregoing provisions of this subdivision with respect to the deferred date of compliance, from and after the effective date of this act:

(1) Any insurance company which seeks authority to transact an additional kind or kinds of insurance shall, as a condition to the granting of the authority, immediately comply with the applicable revised capital, constantly maintained surplus, and guaranty fund requirements of subdivisions 5a, 5b, and 5c for all of its authorized kinds of business.

(2) If any person acquires control of a domestic insurance company, the insurance company shall as of the date of the acquisition of control comply with the applicable revised capital, constantly maintained surplus, and guaranty fund requirements of subdivisions 5a, 5b, and 5c for all of its authorized kinds of business. For purposes of this clause, the term "control" shall be defined as provided in section 60D.01, subdivision 4, and the term "person" shall be defined as provided in section 60D.01, subdivision 7.

Sec. 5. This act is effective on the day following final enactment.

Approved April 8, 1976.

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