

state in the first district, at any point on the lake or river St. Croix above the city of Stillwater, the marks of which are not recorded in the district in which they were cut or into which they may come, and all logs or timber not bearing any distinctive mark shall not—in favor of the person who has cut the same or who claims to be the owner thereof—be recognized, deemed or held in any of the courts of this state to be the property of any such person for any purpose whatever in any action or proceeding.

All transfers
legalized.

SEC. 2. All transfers of any log mark heretofore made upon the books of the surveyor general of any district in this state, by the order or direction of the person at the time of such transfer owing the same, are hereby legalized and made valid to the same extent as if the said transfer had been made by bill of sale duly recorded. And such books of record of log marks are hereby declared to be *prima facie* evidence that the person in whose name any mark now stands recorded, or to whom said mark is transferred, is the legal owner thereof, and of the logs and lumber bearing the same.

When act to
take effect.

SEC. 3. This act shall take effect and be in force from and after its passage.

Approved March 1, 1875.

CHAPTER LXXXIII.

AN ACT AUTHORIZING THE FORMATION OF TOWN INSURANCE COMPANIES.

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

Formation of
town mutual
insurance com-
panies.

SECTION 1. It shall be lawful for any number of persons, not less than twenty-five, residing in adjoining towns in Goodhue, Dakota, Fillmore, Steele, Le Sueur, Freeborn, Wright, Chisago, Pine, Kanabec, Meeker, the seventh Senatorial district of Winona county, and Dodge county, in this State, who collectively shall own property of not less than twenty-five thousand dollars in value, which they desire to have insured, to form themselves into a company for mutual insurance against loss or damage by fire or lightning; which corporation may sue or be sued, contract or be contracted with, plead or be impleaded, in any court of law or equity within the state, and shall possess the usual powers and be subject to the usual duties of corporations; and the corporate name thereof shall embrace the name of the town in which the business office of said company shall be located.

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SEC. 2. Every company so formed shall choose of their number not less than five nor more than nine directors to manage the affairs of such company, who shall hold their office for one year, and until others are elected; and such directors shall choose one of their number president and one secretary.

Directors to be chosen from stockholders—term of office.

SEC. 3. The directors of such company shall file their articles of association, together with a copy of their by-laws and the names of the officers of such company, in the clerk's office of the town in which the office of such company is located, and shall keep a record of their proceedings in a book to be kept for that purpose, together with the names of all persons insured, and the amount each person is insured, which record shall be kept open for the inspection of all the members of such company, from the hours of 9 o'clock A. M. to 4 o'clock P. M. of each secular day, the established holidays excepted.

To file articles of incorporation—where.

SEC. 4. The directors of each company may issue such policies, signed by the president and secretary, agreeing in the name of the company to pay all losses or damages which may be sustained by fire or lightning for a term not exceeding five years, by the holders of such policies, and not exceeding the sum named in such policy.

Policies of insurance to be issued.

SEC. 5. Every person so insured shall give his undertaking, bearing even date with the policy so issued to him, binding himself, his heirs and assigns, to pay his pro rata share to the company of all losses or damages by fire or lightning, which may be sustained by any member thereof, and every such undertaking shall, within five days after the execution thereof, be filed in the office of secretary of such company, and shall remain on file in such office except when required to be produced in court as evidence. He shall also, at the time of effecting such insurance, pay such percentage in cash, and such reasonable sum for a policy as may be required by the rules or by-laws of the company.

How losses by fire or lightning to be paid.

SEC. 6. Every member of such company, who may sustain loss or damage by fire or lightning, shall immediately notify the president of such company, or, in case of his absence, the secretary thereof, who shall forthwith convene the directors of such company, whose duty it shall be, when so convened, to appoint a committee of not less than three nor more than five members of such company, to ascertain the amount of such loss; and in case of the inability of the parties to agree upon the amount of such damage, the claimant may appeal to the judge of the district court of such county, whose duty it shall be to appoint three disinterested persons as a committee of reference, who shall have full authority to examine witnesses and to determine all matters of dispute, who shall make their award in writing to the president, or, in his absence, to the secretary of such company, which award thereon shall be final. The said committee of reference shall each be allowed the sum of two dollars per day for each day's service so rendered, and the sum of five cents per mile for every mile necessarily trav-

Persons sustaining loss by fire or lightning to notify certain officers—upon notification, how to proceed.

eled in the discharge of such duties, which shall be paid by the claimant, unless the award of such committee shall exceed the sum offered by the company in liquidation of such loss or damage, in which case said expenses shall be paid by the company.

Classification of property to be insured.

SEC. 7. The companies formed under the provisions of this act may classify the property insured at the time of issuing policies thereon, under different rates, corresponding as nearly as may be to the greater or less risk from fire and loss which may attach to each several buildings or personal property insured. Whenever the amount of any loss shall be ascertained, which exceeds in amount the cash funds of the company, the president shall convene the directors of said company, who shall make an assessment upon all property insured to the amount for which each several piece of property insured in such company shall pay to cover all unpaid losses, taken in connection with the rate of premium under which it may have been classified.

Duty of secretary.

SEC. 8. It shall be the duty of the secretary, whenever such assessment shall have been completed, to immediately notify every person composing such company, by letter sent to his usual post office address, of the amount of such loss, and the sum due from him as his share thereof, and of the time when and to whom such payment is to be made, but such time shall not be less than sixty nor more than ninety days from the date of such notice, and every person designated to receive such money may demand and receive two per cent., in addition to the amount due on such assessment as aforesaid, for his fees in receiving and paying over the same.

Actions may be brought for neglect of duty.

SEC. 9. Suits at law may be brought against any member of such company who shall refuse or neglect to pay any assessment made upon them by the provisions of this act, and the directors of any company so formed, who shall willfully neglect or refuse to perform the duties imposed upon them by the foregoing sections of this act, shall be liable in their individual capacity to the person sustaining such loss.

Companies' business to be confined to the limits of their own town.

SEC. 10. No company formed under this act shall insure any property out of the limits of the town or towns in which the said company is located, nor shall they insure any property other than detached dwellings and their contents, and farm buildings and their contents, and live stock while on the premises or running at large, and hay and grain in the bin or stack, nor shall they insure any property within the limits of any incorporated city in this state.

Directors, how chosen.

SEC. 11. The directors of such company so formed shall be chosen by ballot, at the annual meeting thereof, which shall be held on the first Tuesday of January in each year, unless otherwise determined by a majority of the voters in such company, and every person shall have one vote for each two hundred dollars for which he or she may be insured, but no person

shall be allowed to vote by proxy at such election, excepting a woman.

SEC. 12. It shall be the duty of the secretary of every company as aforesaid, to prepare a statement showing the condition of such company on the day preceding their annual meeting, which statement shall contain the amount insured, the number of policies issued, and to whom, and the amount insured by each policy, and all other matters pertaining to the interest of such company, which statement shall be filed in the office of the town clerk in which said company may be located, on or before the fifteenth day of January in each year, and which statement shall also be read to the members of said company at their annual meeting.

Secretary to prepare annual statement—what to contain.

SEC. 13. Any member of such company may withdraw therefrom at any time, by giving notice in writing to the president, or, in his absence, to the secretary thereof, and paying his share of all claims then existing against said company; and the directors, or a majority thereof, shall have power to annul any policy by giving notice in writing to that effect to the holder thereof. And it shall also be the duty of the secretary, whenever any member of such company shall withdraw from his membership therein, to notify every other member thereof of such withdrawal, and in default of such notice no claim by the company upon any member for assessment shall be binding upon such member.

Right of withdrawal.

SEC. 14. Non-residents of any town in this state, owning property therein, may become members of any company founded under this act, and shall be entitled to all rights and privileges appertaining thereto, except that it shall not be lawful for such non-resident to become a director of said company, unless he be at the time of such membership a resident of a town adjoining the town or towns in which said company has been formed under the provisions of this act.

Non-residents may become members of any company.

SEC. 15. The company so formed may adopt such by-laws for its regulations as are not inconsistent with the provisions of this act, and may therein prescribe the compensation of its officers.

To adopt by-laws.

SEC. 16. No company formed under this act shall continue for a longer term than thirty years.

Term—limitation of.

SEC. 17. Any company organizing under the foregoing provisions to do a farm business only, may do such business by complying with the provisions of title three of the general reciprocal insurance laws of this state, so far as the same are applicable, but shall be exempt from complying with section twenty-eight, title three, of the same.

Act governing insurance in certain business.

SEC. 18. This act shall take effect and be in force from and after its passage and publication.

When act to take effect

Approved March 9, 1875.