

CHAPTER 164.

H. F. No. 397.

An act to legalize certain town insurance companies and to amend sections one (1), two (2), three (3), six (6), seven (7), ten (10), eleven (11) and twelve (12) of chapter eighty-three (83) of the general laws eighteen hundred and seventy-five (1875), and section one (1) of chapter one hundred and seventeen (117) of the general laws eighteen hundred and eighty-one (1881), and to repeal section one (1) of chapter fourteen (14) of the general laws eighteen hundred and ninety-one (1891), and chapter one hundred and seventy-seven (177) of the general laws eighteen hundred and ninety-five (1895), relating to town insurance companies.

Town insurance companies.

Be it enacted by the Legislature of the state of Minnesota.

SECTION 1. That section one (1) of chapter eighty-three (83) of the general laws eighteen hundred and seventy-five (1875), as amended by chapter two hundred and sixteen (216) of the general laws eighteen hundred and eighty-nine (1889), be and the same is hereby amended so as to read as follows:

Amendment.

Section 1. It shall be lawful for any number of persons not less than twenty-five (25), residing in adjoining towns in this state, who shall collectively own property of not less than fifty thousand (50,000) dollars, to form themselves into a company or corporation for mutual insurance against loss or damage by fire, or lightning; they shall organize by adopting articles of incorporation, which shall contain the name of the corporation; the general nature of its business; the territory in which the company may do business; the qualifications of members; the method of providing corporate funds; the classes of property insured; in what persons the management of the affairs of such company shall be placed and when the same are elected; the date of the annual meeting; and the time of the commencement of the company and the period of its continuance.

Organization.

Such articles shall be signed and acknowledged by the persons adopting the same in the manner by law provided for the execution of deeds. Any corporation so formed may sue and be sued, contract or be contracted with; plead or be impleaded in any court in this state, and possess the usual powers and duties of corporations.

The words "adjoining towns," as used in this section, shall be held to mean not only the towns immediately adjoining the town in which the business office of the cor-

Adjoining towns.

poration is located, but the towns which adjoin these also, contiguously or at their corners.

Farm
property.

And any company heretofore or hereafter organized may and is hereby authorized to receive applications for insurance and issue policies on any farm property situated in any county in portions of which such company is now, or may hereafter be, authorized to do business; *provided*, that no company hereunder shall be authorized to do business in more than fifty (50) towns, and all acts or portions of acts inconsistent herewith are hereby repealed.

SEC. 2. That section two (2) of chapter eighty-three (83) of the general laws of eighteen hundred and seventy-five (1875), be and the same is hereby amended so as to read as follows:

Directors and
officers.

Sec. 2. Every company so formed shall choose of their number not less than five (5) nor more than nine (9) directors to manage the affairs of such company, who shall hold their office for one (1) year, and until others are elected; and such directors shall choose one of their number a president, a vice president, and a secretary; they shall also choose a treasurer, who may or may not be a member of said board, but shall be a member of the company. And the said treasurer shall give bonds, to such company, in such sum as the directors shall determine, to be approved by said president and secretary, and such directors may authorize said treasurer to loan, on first mortgage real estate securities, such sums of money in his hands as they may determine, or authorize him to deposit any or all sums of money in his hands as such treasurer in such bank or banks as they may designate.

SEC. 3. That section three (3) of chapter eighty-three (83) of the general laws eighteen hundred and seventy-five (1875), be and the same is hereby amended so as to read as follows:

Articles of
association.

Sec. 3. The directors of such company shall file their articles of association, together with a copy of their by-laws, in the office of the insurance commissioner, who then shall issue to such company complying with the provisions of this chapter, a license to do business, whereupon said company shall be authorized to do business; and they 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 nine (9) o'clock a. m. to four (4) o'clock p. m. of each secular day, the established holidays excepted.

SEC. 4. That section six (6) of chapter eighty-three (83) of the general laws eighteen hundred and seventy-five (1875), as amended by chapter seventy-nine (79) of the general laws eighteen hundred and eighty-seven (1887), and by section one (1) of chapter ninety-five (95) of the general laws eighteen hundred and ninety-one (1891), be and the same is hereby amended so as to read as follows:

Sec. 6. Every member of such company who may sustain loss or damage by fire or lighting, shall immediately notify the secretary of such company, who shall either forthwith convene the directors of said company, whose duty it shall be, when so convened to appoint a committee of three (3) members of such company, of which committee the secretary of said company shall be ex-officio a member, to ascertain the amount of such loss and the circumstances of the same, and who shall have power to call and examine such persons as witnesses as they may deem fit in relation thereto, and the secretary shall have authority to administer oaths to the persons so called and examined, or if the by-laws of any company so provide, the secretary of such company may, instead of convening said board and the appointment of a committee, himself ascertain the amount of such loss in the same manner and with the same authority as such committee.

Losses by fire
or lightning.

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 (3) disinterested persons as a committee of reference, who shall have full authority to examine witnesses and determine all matters of dispute, who shall make their award in writing to the president or the secretary of such company, which award thereon shall be final. The said committee of reference shall each be allowed the sum of two (2) dollars per day for each day's service so rendered, and the sum of five (5) cents per mile for every mile necessarily traveled in the discharge of such duties, which shall be paid by the claimant, together with the fees of any witnesses that may have been called by the company, unless the award of such committee shall exceed the sum offered in liquidation of such loss or damage, in which case said expenses shall be paid by the company.

Agreement as
to damages.

Provided, that in cases where the claim for loss so presented does not exceed the sum of three hundred (300) dollars, no meeting of the directors nor appointment of committee shall be requisite, but the amount of such loss may be ascertained by the president or sec-

retary, or both, with the same right of appeal as hereinbefore provided for.

SEC. 5. That section seven (7) of chapter eighty-three (83) of the general laws eighteen hundred and seventy-five (1875), be and the same is hereby amended so as to read as follows:

Classification
of property
and assess-
ments to pay
losses.

Sec. 7. The companies formed under the provisions of this act may classify the property insured at the time of issuing the policies thereon under the 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 or secretary shall convene the directors of said company, who shall make an assessment upon all property insured to the amount for which the property insured in each several policy 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; or said board of directors may borrow money not to exceed two (2) mills on each dollar of insurance written by such company and then in force, and from the funds so received pay said losses when so determined as aforesaid; and said board shall at such times as it deems best make assessments to pay such loans in the same manner as assessments are levied to pay losses. And if the revenue for the payment of the expenses of such company be insufficient, the amount of such deficiency may be added to any assessment.

SEC. 6. That section ten (10) of chapter eighty-three (83) of the general laws of one thousand eight hundred and seventy-five (1875), as amended by chapter sixty-seven (67) and eighty-four (84) of the general laws of one thousand eight hundred and eighty-five (1885), and by section one (1) of chapter two hundred and nineteen (219) of the general laws one thousand eight hundred and eighty-nine (1889), and by chapter fifty-eight (58) of the general laws one thousand eight hundred and ninety-five (1895), be and the same is hereby amended so as to read as follows:

Limitations
of territory
and risks.

Sec. 10. No company formed under this act shall insure any property out of the limits of the town or towns in which said company is located, except as provided in section one (1) hereof, nor shall they insure any property other than detached dwellings and their contents, and farm buildings and their contents, and live stock, and hay or grain in the bin or stack, churches and school houses, society and town halls, nor shall they insure any property within the limits of any incorporated

city or village in this state, except such property as is located upon lands actually used for farming purposes; *provided, however,* that when the dwelling house of any person insured is within the limits of a town where such company is authorized to do business, but where the farm of such person upon which such dwelling house is situated lies partly within the limits of a town where such company is authorized to insure and partly within some town outside such limits, then and in such case any such company may include in its policy insuring such dwelling house and other farm property any outbuilding, hay, grain, stock or other farm property on such farm outside said limits the same as if such property was within the limits in which said company is authorized to do business.

SEC. 7. That section eleven (11) of chapter eighty-three (83) of the general laws 1875, as amended by chapter two hundred and fifteen (215) of the general laws 1889, be and the same is hereby amended so as to read as follows:

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 after the first Monday in January in each year, unless otherwise determined by the articles of incorporation or amendment thereto of such company, and every person insured shall have one vote, but no person shall be allowed to vote by proxy at such election, excepting a woman.

Directors
elected by
ballot.

SEC. 8. That section twelve (12) of chapter eighty-three (83) of the general laws of 1875, as amended by chapter forty-five (45) of the general laws of 1885, be and the same is hereby amended so as to read as follows:

Sec. 12. It shall be the duty of the secretary of every company as aforesaid to prepare a statement in accordance with the form furnished by the state insurance commissioner, 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 such other matters pertaining to the interest of the company as may be deemed important, which statement shall be filed in the office of the insurance commissioner within thirty (30) days after such meeting in each year, and which statement shall also be read to the members of such company at such annual meeting. The treasurer shall also prepare a statement which shall be read at such meeting. And any company heretofore or which may hereafter be formed hereunder shall be under the supervision of the insurance commissioner, with the power of examination of its affairs.

Report to In-
surance com-
missioner.

SEC. 9. That section one (1) of chapter one hundred and seventeen (117) of the general laws of 1881, as amended by chapter ninety-eight (98) of the general laws of 1891, be and the same is hereby amended so as to read as follows:

May amend
articles of in-
corporation.

Sec. 13. Any insurance company heretofore or hereafter organized may, at any annual meeting of its members, or at any special meeting after thirty (30) days' notice to all members thereof and of such proposed amendment, by a two-thirds ($\frac{2}{3}$) vote of those present, amend its articles of incorporation in any respect which might have been lawfully made a part of such original articles, or may also amend them so as to include in its organization other adjoining towns not already included therein. Such company shall cause a certificate of such amendment to be sworn to by the president and secretary, and thereupon such certificate shall be filed the same as the original articles, and upon such filing such amendment shall become a part of such original articles.

Previous or-
ganization
legalized.

SEC. 10. That in any case where there has been heretofore an attempted formation and organization of any corporation, company or association under said chapter eighty-three (83) of the general laws 1875, and the amendments thereto, and the persons so attempting to form or organize any such corporation have actually adopted, signed and filed with the clerk of the town in which any of said parties may at that time have resided, or in the office of the secretary of state or insurance commissioner, articles of association or constitution, in which the business specified to be carried on by them as such corporation was such as might be lawfully carried on under such laws, and have, in fact, proceeded as such corporation under the corporate name assumed by them to transact and carry on such business, such attempted formation and organization in each and every case is hereby legalized and declared a valid and effectual formation and organization of such corporation under the name assumed from and after the actual filing as aforesaid of such articles or constitution, notwithstanding the omission of any other matter or thing by law prescribed to be contained in said articles or constitution, or to be done or observed in the formation or organization thereof.

Fees.

SEC. 11. The insurance commissioner shall collect from each company organized under the provisions of this act fees as follows, viz.:

Filing articles of incorporation, two (2) dollars; for filing each annual statement, one (1) dollar; for issuing

certificate of authority and each annual renewal thereof, one (1) dollar.

SEC. 12. That section one (1) of chapter fourteen (14) of the general laws 1891, and chapter one hundred and seventy-seven (177) of the general laws 1895 be and the same are hereby repealed.

SEC. 13. This act shall take effect and be in force from and after its passage.

Approved April 21, 1897.

CHAPTER 165.

H. F. No. 542.

An act to compel the transfer agents of any foreign or domestic corporation doing business in this state to exhibit the transfer book or list of stockholders of said corporation to any stockholder of the same.

Corporations. Transfer agents to exhibit list of stockholders.

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

SECTION 1. The transfer agent in this state of any foreign or domestic corporation, whether such agent shall be a corporation or a natural person, shall at all times during the usual hour of transacting business, exhibit to any stockholder of such corporation, when required by him, the transfer book and a list of the stockholders thereof if in their power to do so, and for every violation of the provisions of this section such agent, or any officer or clerk of such agent, shall forfeit the sum of two hundred and fifty dollars (\$250), to be recovered by the person to whom such refusal was made.

SEC. 2. This act shall take effect from and after its passage.

Approved April 21, 1897.

CHAPTER 166.

H. F. No. 613.

An act for an appropriation to reimburse Joseph H. Coats for his expenses incurred in contesting the election of E. S. Hall as a member of the legislature of the State of Minnesota for the present term.

\$966.93 to J. H. Coats, contesting election.

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