

S. F. No. 139.

CHAPTER 254.

Regarding
fire insurance.

An act entitled "An act to amend section fifty-three (53) of chapter one hundred and seventy-five (175) of the general laws of one thousand eight hundred and ninety-five (1895), approved April twenty-fifth (25th) one thousand eight hundred and ninety-five (1895)," the same being an act entitled "An act to revise and codify the insurance laws of this state."

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

Amendment.

SECTION 1. That section fifty-three (53) of chapter one hundred and seventy-five (175) of the general laws of one thousand eight hundred and ninety-five (1895) be and the same is hereby amended so as to read as follows:

Form of
policy.

Sec. 53. No fire insurance company shall issue fire insurance policies on property in this state other than those of the standard form herein set forth, except as follows, to-wit:

First—A company may print on or in its policies its name, location and date of incorporation, the amount of its paid-up capital stock, the names of its officers and agents, the number and date of the policy, and if it is issued through an agent, the words, "This policy shall not be valid until countersigned by the duly authorized agent of the company at ———."

Second—A company may print or use in its policies printed forms of description and specification of the property insured, including permits for the use of electricity, gasoline or storage of other extra hazardous product or material, also for repairs and improvements, for the operation or ceasing to operate and for the maintenance of sprinkling or other improvements.

Third—A company insuring against damage by lightning may print, in the clause enumerating the perils insured against, the additional words:

"Also any damage by lightning, whether fire ensues or not," and in the clause providing for apportionment of loss in case of other insurance, the words, "whether by fire, lightning or both."

Fourth—A company incorporated or formed in the state may print in its policies any provisions which it is authorized or required by law to insert therein; and any company not incorporated or formed in this state may, with the approval of the insurance commissioner, so print any provision required by its charter or deed of

settlement, or by the laws of its own state or country, not contrary to the laws of this state.

Fifth—The blanks in said standard form may be filled in print or in writing.

Sixth—A company may print upon policies issued in compliance with the preceding provisions of this section the words "Minnesota standard policy."

Seventh—No provision shall be attached to or included in said policy limiting the amount to be paid in case of total loss on buildings to less than the amount of insurance on the same.

The said standard form of policy shall be plainly printed, and no portion thereof shall be type smaller than long primer, and shall be as follows, to-wit:

No.....

\$.....

Printed form
of policies.

(Corporate name of the company or association; its principal place or places of business.)

In consideration of.....dollars, to be paid by the insured, hereinafter named, the receipt whereof is hereby acknowledged, does insure.....

.....and
.....legal
representatives against loss or damage by fire, to the amount of.....dollars.

(Description of property insured.)

Bills of exchange, notes, accounts, evidence and securities of property of every kind, books, wearing apparel, plate, money, jewels, metals, patterns, models, scientific cabinets and collections, paintings, sculpture and curiosities are not included in said insured property, unless specially mentioned.

Said property is insured for the term of....., beginning on the.....day of.....in the year eighteen hundred and.....at noon, and continuing until the.....day of.....in the year eighteen hundred and.....at noon, against all loss or damage by fire originating from any cause except invasion, foreign enemies, civil commotions, riots or any military or usurped power whatever; the amount of said loss or damage to be estimated according to the actual value of the insured property at the time when such loss or damage happens, except in case of total loss on buildings, but not to include loss or damage caused by explosion of any kind unless fire ensues, and then to include that caused by fire only.

The policy shall be void if any material fact or circumstance stated in writing has not been fairly represented by the insured, or if the assured now has or shall hereafter make any other insurance on the said property without the assent of the company, or if without such

assent the property shall be removed, except that if such removal shall be necessary for the preservation of the property from fire, this policy shall be valid without such assent for five days thereafter, or if without such assent the situation or circumstances affecting the risk shall, by or with the knowledge, advice, agency or consent of insured, be so altered so as to cause an increase of such risks, or if, without such assent, the property shall be sold or this policy assigned, or if the premises hereby insured shall become vacant by the removal of the owner or occupant, and so remain vacant for more than thirty (30) days without such assent, or if it be a manufacturing establishment, running in whole or in part extra time, except that such establishment may run in whole or in part extra hours not later than nine (9) o'clock p.m., or if such establishment shall cease operations for more than thirty (30) days without permission in writing endorsed hereon, or if the insured shall make any attempt to defraud the company, either before or after the loss, or if gunpowder or other articles subject to legal restrictions shall be kept in quantities or manner different from those allowed or prescribed by law, or if camphene, benzine, naphtha or other chemical oils or burning fluids shall be kept or used by the insured on the premises insured, except that what is known as refined petroleum, kerosene or coal oil, may be used for lighting, and in dwelling houses kerosene oil stoves may be used for domestic purposes, to be filled when cold by daylight, and with oil of lawful fire test only.

If the insured property shall be exposed to loss or damage by fire the insured shall make all reasonable exertions to save and protect the same.

In case of any loss or damage under this policy, a statement in writing, signed and sworn to by the insured, shall be forthwith rendered to the company, setting forth the value of the property insured, except in case of total loss on buildings, the value of said buildings need not be stated, the interest of the insured therein, all other insurance thereon, in detail, the purposes for which and the persons by whom the building insured, or containing the property insured, was used, and the time at which and manner in which the fire originated, so far as known to the insured.

The company may also examine the books of account and vouchers of the insured and make extracts from the same.

In case of any loss or damage the company, within sixty (60) days after the insured shall have submitted a statement as provided in the preceding clause, shall either pay the amount for which it shall be liable, which

amount, if not agreed upon, shall be ascertained by award of referees, as hereinafter provided, or replace the property with other of the same kind and goodness, or it may, within fifteen (15) days after such statement is submitted, notify the insured of its intentions to rebuild or repair the premises or any portion thereof separately insured by this policy, and shall thereupon enter upon said premises and proceed to rebuild or repair the same with reasonable expedition.

It is moreover understood that there can be no abandonment of the property insured to the company, and that the company shall not in any case be liable for more than the sum insured, with interest thereon from the time when the loss shall become payable, as above provided.

If there shall be any other insurance on the property insured, whether prior or subsequent, the insured shall recover on this policy no greater proportion of loss, except in case of total loss on buildings, sustained than the sum hereby insured bears to the whole amount insured thereon.

And whenever the company shall pay any loss the insured shall assign to it to the extent of the amount so paid, all rights to recover satisfaction for the loss or damage from any person, town or other corporation, excepting other insurers, or the insured, if requested, shall prosecute therefor at the charge and for the account of the company.

If this policy shall be made payable to a mortgagee of the insured real estate no act of default of any person other than such mortgagee or his agents, or those claiming under him, shall affect such mortgagee's right to recover in case of loss on such real estate.

Provided, that the mortgagee shall, on demand, pay according to the established scale of rates for any increase of risks not paid for by the insured; and whenever this company shall be liable to a mortgagee for any sum for loss under this policy, for which no liability exists as to the mortgagor, or owner, and this company shall elect by itself, or with others, to pay the mortgagee the full amount secured by such mortgage, then the mortgagee shall assign and transfer to the company interested, upon such payment, the said mortgage, together with the note and debts thereby secured.

This policy may be cancelled at any time at the request of the insured, who shall thereupon be entitled to a return of the portion of the above premium remaining, after deducting the customary monthly short rates for the time this policy shall have been in force.

The company also reserves the right, after giving writ-

ten notice to the insured, and to any mortgagee to whom this policy is made payable and tendering to the insured a ratable proportion of the premium, to cancel this policy as to all risks subsequent to the expiration of ten days from such notice, and no mortgagee shall then have the right to recover as to such risks.

In case of loss, except in case of total loss on buildings, under this policy and a failure of the parties to agree as to the amount of loss, it is mutually agreed that the amount of such loss shall be referred to three disinterested men, the company and the insured each choosing one out of three persons to be named by the other, and the third being selected by the two so chosen; the award in writing by a majority of the referees shall be conclusive and final upon the parties as to the amount of loss or damage, and such reference, unless waived by the parties, shall be a condition precedent to any right of action in law or equity to recover for such loss; but no person shall be chosen or act as referee, against the objection of either party, who has acted in a like capacity within four months.

No suit or action against this company for the recovery of any claim by virtue of this policy shall be sustained in any court of law or equity in this state, unless commenced within two years from the time the loss occurred.

In witness whereof, the said.....company has caused this policy to be signed by the president and attested by its secretary (or by such proper officers as may be designated), at their office in.....

Date.....

In case of
joint policy.

When two or more companies [each having previously complied with the laws of this state] unite to issue a joint policy, there may be expressed in the heading of such policy the fact of the severalty of the contract; also the proportion of premium to be paid to each company, and the proportion of liability which each company agrees to assume.

And in the printed conditions of such policy the necessary change may be made from the singular to the plural number when reference is had to the companies issuing such policy.

SEC. 2. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

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

Approved April 23, 1897.