

to counties having a population of less than fifty thousand (50,000) inhabitants are hereby repealed.

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

Approved April 20, 1903.

S. F. No. 62.

CHAPTER 295.

Insurance.

An act to amend chapter 178 of the General Laws of 1901, entitled "an act to provide for the incorporation, reincorporation and regulation of life insurance companies on the stipulated premium plan."

Be it enacted by the Legislature of the State of Minnesota:
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SECTION 1. That section seven (7) of chapter one hundred and seventy-eight (178) of the Laws of one thousand nine hundred and one (1901) be and the same hereby is amended to read as follows:

Corporate
power

Section 7. Corporate Power—A corporation organized or doing business under the provisions of this act shall, by the name adopted by such corporation in law, be capable of suing or being sued, and may have power to make and enforce contracts in relation to the business of such corporation, may have and use a common seal, and may change or alter the same at pleasure; in the name of the corporation, association or society, or by a trustee chosen by their board of directors, shall in law be capable of taking, purchasing, holding and disposing of real and personal property for carrying into effect the purposes of their organization, and may, by their board of directors, trustees or managers, make by-laws and amendments thereto not inconsistent with the constitution and laws of this state, or of the United States, which by-laws shall define the manner of electing directors, trustees or managers, and officers of such corporation, and the qualifications and duties of the same, with terms of office, and if a mutual company, the qualifications and privileges of the members and policy holders thereof. Any such corporation shall also have all the powers, rights, privileges, immunities and franchises conferred by this act, together with all implied powers necessary or convenient for the execution and exercise thereof and the ordinary and incidental powers of insurance corporations.

Provided, that no new or amended by-laws hereafter passed shall, in any manner, modify or change any existing contract, without the express consent of the insured in writing.

Existing
contracts.

SEC. 2. That section eleven (11) of said chapter be and the same is hereby amended to read as follows:

Section 11. Duty of State Treasurer to Receive and Safely Keep Securities—It shall be the duty of the state treasurer to receive all moneys, bonds and securities offered or tendered to him by any insurance company in accordance with the provisions of this act, or for the purpose specified herein; and said state treasurer shall have charge of and safely keep the same when delivered to him, and shall not redeliver the same, or any part thereof to the insurance company depositing them, except with the consent of the insurance commissioner and in accordance with the provisions of this act. Such state treasurer shall, upon the receipt by him of any moneys, bonds or securities from any insurance company, execute in duplicate a receipt stating in detail all moneys, bonds or securities then held by him or received by him from such company, and a minute description thereof. One copy of such receipt shall be delivered to the insurance commissioner and be by him filed, kept and retained in his office; the other copy of such receipt shall be delivered to the depositing company. All securities deposited with the state treasurer must be accompanied with a certificate of the president and secretary of the depositing company, certifying that all said bonds and securities fully comply with the requirements of section twenty-three of this act.

Duties of
state
treasurer.

SEC. 3. That section twenty-three (23) of said chapter be and the same is hereby amended to read as follows:

Section 23. Investment of Funds—Assignment of Policy to Secure Payment of Loan Made on Same—The capital stock, funds and accumulations of any insurance company organized or reorganized under the provisions of this act, shall be invested in bonds or treasury notes of the United States or state or national bank stock, or interest-bearing bonds of this state, or any other state of the United States, or of any city, town or county of this state, or any other state in the United States having legal authority to issue the same, or in any interest or dividend-paying stock or bonds issued under the laws of this state or any other state of the United States, or in mortgages

Investment
of funds.

or unincumbered improved real estate in this or any other state of the United States, worth at least twice the amount loaned thereon, exclusive of buildings, except when such buildings are insured and the policy duly assigned as additional security or loaned on pledges of any of the securities above named; provided always that the current market value of such pledged securities shall be, at all times during the continuance of such loans, at least twenty per cent more than the sum loaned on them, and all such loans are subject to the power of the company to terminate the same in case of the depreciation of the securities below said limit; and provided that in all investments made upon mortgaged securities the evidence of the debt shall accompany the mortgage or deed of trust. *Provided, further*, that none of the bonds, securities or investments above mentioned shall ever be bought, contracted for or received at a greater price than their known market value; nor shall any such bonds, securities or investments be contracted for, bought or received when any interest has been defaulted and is unpaid thereon. Any such company may also make loans upon its own policies, but in the computation of the value of the assets of such company a loan upon a policy of such company shall never be valued at more than an amount equal to the net reserve against such policy. Whenever a cash loan is hereafter made thereon the policy must in all cases, be assigned to, and held by the company as security.

Loans,
assignment.

SEC. 4. That section twenty-six (26) of said chapter be and the same is hereby amended to read as follows:

Reinsurance.

Section 26. Contracts for Reinsurance.—Any corporation organized or doing business under this act may assume or reinsure the risks of any company, society or association engaged in the business of life insurance upon such terms as may be agreed upon by its board of directors, or a majority thereof, at a meeting regularly called and held. Any corporation organized or doing business under this act may transfer its risks to or reinsure them in any other corporation, association or society doing business on the stipulated premium or old line legal reserve plan; *provided*, that the contract of transfer or reinsurance shall have been first submitted to and approved by the insurance commission of the State of Minnesota by a two-third vote of the stockholders or members present and voting in person or by proxy at any regular meeting of such corporation, or at a special meet-

Approval.

ing thereof called to consider the same, of which special meeting a written or printed notice shall have been mailed to each stockholder or member at least thirty days before the day fixed for such meeting. No such corporation organized or doing business under this act shall transfer its risks or assets, or any part thereof, to or reinsure its risks, or any part thereof, in any insurance corporation, association or society of any other state or country which is not at the time of such transfer or reinsurance authorized to do business in this state under the laws thereof; *provided, however*, that the foregoing declaration shall not prevent a company from reinsuring any fractional part of any individual policy in other solvent companies authorized to do business in this state by paying therefor agreed premiums in annual, semi-annual or quarterly installments. In case of the reinsurance of mutual companies all the assets of the reinsured company shall be turned over to the reinsuring company. When any company doing business under this act is reinsured by a contract of reinsurance imposing a new lien upon any policy, there shall be given to each policy holder on whose policy the new lien is imposed, together with his certificate of reinsurance the notice set forth in section thirty-eight (38) hereof.

Foreign
companies.

Mutual
companies.

SEC. 5. That section thirty-eight (38) of said chapter be and the same is hereby amended to read as follows:

Section 38. Notice of annual meetings and other notices to be mailed policy holders therewith. There shall be held an annual meeting of the members or stockholders of any company organized or reorganized under the provisions of this act of which annual meeting the members or stockholders shall have notice at least thirty (30) days in advance, either by way of a written or printed notice, which may accompany other written or printed matter; and there shall be mailed a notice to every policy holder upon whose policy a lien is, or has been, imposed under this act, as soon as possible and within one year after the imposition of such lien, or in case such lien has been imposed prior to the passage of this act, then, within one year after the passage of this act. Said notice shall state: First, the amount of the lien imposed. Second, the rate of interest thereon. Third, the amount of premium and conditions on which the policy may be carried for its full face. Fourth, the amount of

Notices
of annual
meetings.

Other
notices.

premium exclusive of interest necessary under this act to carry the policy without further increase of lien.

SEC. 6. This act shall supersede all provisions of any existing law in conflict herewith.

SEC. 7. This act shall be in effect from and after the date of its passage.

Approved April 20, 1903.

S. F. No. 540.

CHAPTER 296.

Institutions
of public
charity.

An act to define and regulate beneficiary associations, corporations or societies; exempting the same and their buildings and assets from the operation of certain provisions of the laws of this state relating to taxes, insurance, garnishment, attachment or seizure, and declaring them to be institutions of public charity.

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

Beneficiary
associations
defined.

SECTION 1. That a beneficiary association under the provisions of this act is hereby declared to be any corporation, society or voluntary association, organized and carried on for the sole benefit of its members and their families, relatives, or dependents, but not for profit. Each association or society may make provision for the payment of benefits in case of death and may make provision for the payment of benefits in case of sickness, temporary or permanent physical disability as a result either of disease or accident, and may make provision for the payment of funeral expenses of a member, not to exceed seventy-five dollars (\$75.00) in any case, all of said benefits to be paid subject to the compliance by the members with the constitution and by-laws of such association or society. The funds from which the disbursements of such association or society shall be defrayed shall be derived from assessments and dues collected from its members. Payments of death benefits shall be to the families, heirs, blood relatives, adopted children, affianced husband or affianced wife of the member or to persons dependent upon the member. Any such beneficiary association or society may create, maintain, disburse and apply a reserve or emergency fund in accordance with its constitution or by-laws and every such association or society shall be deemed and held to be an institution of public charity. The term "beneficiary association" wherever used in this

Benefita.

Emergency
fund.