

## CHAPTER 161—S. F. No. 163.

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*An Act to prohibit the issuance of non-participating policies by certain life insurance companies.*

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

**Non-participating policies prohibited.**—Section 1. On and after the first day of January, 1908, no domestic mutual life insurance company and no domestic stock life insurance company, hereafter issuing or professing to issue any participating policies, shall issue any policies, except annuities, which do not by their terms give to the holders thereof full right to participate in the accumulations of said company, as provided by law.

This act shall not apply to paid-up or temporary and pure endowment insurance issued or granted in exchange for lapsed or surrendered policies.

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 All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.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 12, 1907.

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CHAPTER 162—S. F. No. 165.

*An Act regulating the retirement of capital stock of life insurance companies in certain cases.*

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

**Mutual life insurance companies to retire capital stock on certain conditions.**—Section 1. A mutual life insurance company may be organized with, and an existing mutual life insurance company may establish a temporary capital of not less than \$100,000, which shall be invested in the same manner as is provided for the investment of its other funds. Out of the net surplus of the company the holders of the temporary capital stock may receive a dividend of not more than 8 per cent per annum which may be cumulative. Such capital stock shall not be a liability of the company except that it shall be retired as soon as, but not before, the surplus

of the company remaining after its retirement shall be not less than the temporary capital so established. At the time for the retirement of such capital stock the holders shall be entitled to receive from the company the par value thereof and any dividends thereon due and unpaid, and thereupon the stock shall be surrendered and canceled, and the right to vote thereon shall cease.

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 All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.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 12, 1907.

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#### CHAPTER 163—S. F. No. 173.

*An Act to regulate the investment of the funds and the real estate holdings of life insurance companies.*

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

**Domestic life insurance companies—how investments are to be made.**—Section 1. No domestic life insurance company, whether incorporated by special act or under a general law shall, after the first day of January, 1908, invest in or loan upon any shares of stock of any corporation, other than a municipal corporation; nor, excepting government, state or municipal securities, shall it invest in, or loan upon, any bonds or obligations not secured by adequate collateral security and when more than one-third of the total value of the collateral security shall consist of shares of stock, it shall be deemed inadequate. Every such company possessed of stocks or securities prohibited by this act shall dispose of the same within five years, unless such time is extended by the commissioner of insurance.

No investment or loan, except policy loans, shall be made by any such life insurance company, unless the same shall first have been authorized by the board of directors, or by a committee thereof charged with the duty of supervising such investment or loan. No such company shall subscribe to or participate in any underwriting of the purchase or sale of securities of property, or enter into any transaction for