

CHAPTER 197—S. F. No. 45.

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An Act limiting the time within which real estate mortgages may be foreclosed when the date of maturity is not stated in the mortgage.

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

To serve from date of mortgage.—Section 1. The time within which any action or proceeding, by advertisement or otherwise, may be commenced for the foreclosure of any mortgage on real property, shall begin to run from the date of such mortgage, unless the time of maturing of such mortgage or the debt or obligation secured thereby, shall be clearly stated in such mortgage.

Sec. 2. This act shall take effect and be in force from and after July 1, 1908.

Approved April 15, 1907.

CHAPTER 198— S. F. No. 56.

An Act to require an annual apportionment and accounting of surplus of life insurance companies.

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

Annual apportionment of divisible surplus companies may have.—Section 1. Every life insurance company doing business in this state conducted on the mutual plan or in which policy holders are entitled to share in the profits or surplus, shall make an annual apportionment and accounting of divisible surplus to each policy holder beginning not later than the end of the third policy year on all participating policies hereafter issued; and each such policy holder shall be entitled to and be credited with or paid, in the manner hereinafter provided, such a portion of the entire divisible surplus as has been contributed thereto by his policy.

Contingent reserve not exceeding certain percentage.—Sec. 2. Any life insurance company doing business in this state may accumulate and maintain, in addition to the capital and surplus contributed by its stockholders, and in addition to an amount equal to the net values of its policies, computed according to the laws of the jurisdiction under which it is

organized, a contingency reserve not exceeding the following respective percentages of said net values, to-wit: When said net values are less than one hundred thousand dollars, twenty per centum thereof or the sum of ten thousand dollars, whichever is the greater; when said net values are greater than one hundred thousand dollars, the percentage thereof measuring the contingency reserve shall decrease one-half on one per centum for each one hundred thousand dollars of said net values up to one million dollars; when said net values are greater than one million dollars but do not exceed twenty-five million dollars, the contingency reserve shall not exceed fifteen per centum thereof; when said net values are greater than twenty-five million dollars but do not exceed fifty million dollars, the contingency reserve shall not exceed twelve and one-half per centum thereof; when said net values are greater than fifty million dollars but do not exceed one hundred million dollars, the contingency reserve shall not exceed ten per centum thereof; when said net values are greater than one hundred million dollars but do not exceed one hundred and fifty million dollars, the contingency reserve shall not exceed seven and one-half per centum thereof; when said net values are greater than one hundred and fifty million dollars the contingency reserve shall not exceed five per centum thereof; *provided* that as the net values of said policies increase and the maximum percentage measuring the contingency reserve decreases such corporation may maintain the contingency reserve already accumulated hereunder, although for the time being it may exceed the maximum percentage herein prescribed, but may not add to the contingency reserve when the addition will bring it beyond the maximum percentage. *Provided further*, that for cause shown the commissioner of insurance may at any time and from time to time permit any corporation to accumulate and maintain a contingency reserve in excess of the limit above mentioned for a prescribed period, not exceeding one year under any one permission, by filing in his office a decision stating his reasons therefor and causing the same to be published in his next annual report. This section shall not apply to any company doing exclusively a non-participating business.

Policy holder may designate manner of application of surplus.—Sec. 3. Every policy holder shall on all participating policies hereafter issued, be permitted after his policy has been in force five years annually to select the manner and

method of the application of the surplus to be annually apportioned to his policy from among those set forth in the policy. All apportioned surplus not actually paid over to the insured, or applied in the reduction of current or future premiums or in the purchase of paid-up insurance of pure endowment additions, shall be credited to the insured and carried as an actual liability and be paid at the maturity of the policy.

Default in payment—proceedings—right to surrender.—

Sec. 4. In event of default in payment of any premium due on any policy, provided not less than three full years' premiums shall have been paid, and *provided further*, such policy shall not be continued in force by virtue of an automatic loan provision therein, there shall be secured to the insured without action on his part, either paid or extended insurance as specified in the policy, the net values of which shall be at least equal to the entire net reserve held by the company on such policy, less two and one-half per centum of the amount insured by the policy and dividend additions, if any, and less any outstanding indebtedness to the company on the policy at time of default.

There shall be secured to the insured the right to surrender the policy to the company at its home office within one month after date of default for the cash value otherwise available for the purchase of the paid-up or extended insurance as aforesaid. Such cash payment to be made within six months after demand therefor.

Sec. 5. No agreement between the company and the policy holder or applicant for insurance shall be held to waive any of the provisions of this act.

Sec. 6. All acts and parts of acts conflicting with the provisions of this act are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after January 1, 1908.

Approved April 16; 1907.