

CHAPTER 199—S. F. No. 875.

An act to amend Chapter 327 of the Laws of Minnesota, 1915, fixing the times of holding general terms of the district court of the first judicial district of the state of Minnesota. Terms of court in Goodhue and Dakota counties.

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

Section 1. **Terms of court in First Judicial District.**—That Section 1 of Chapter 327 of the Laws of Minnesota, 1915, be and the same hereby is amended so as to read as follows:

“Section 1. The general terms of the district court of the first judicial district of the State of Minnesota shall be held as follows:

In Goodhue County—The second Monday in March and the first Monday in October each year.

In Dakota County—*The fourth Monday in January* and the first Monday in May and the second Monday in November each year.

Sec. 2. **Inconsistent acts repealed.**—All acts and parts of acts inconsistent with this act are hereby repealed.

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

Approved April 7, 1921.

CHAPTER 200—S. F. No. 933.

An act relating to mutual insurance companies.

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

Section 1. **Mutual insurance companies may insure what.**—Any mutual insurance company which establishes and maintains over and above its liabilities and the reserves required by law of a like stock insurance company, a guaranty fund available for the payment of losses and expenses at least equal to the capital stock and surplus, if any, required of a like stock insurance company, may issue policies of insurance without contingent liability, and when the articles of incorporation of any mutual insurance company having such guaranty fund so provide, such company may transact any and all of the kinds of business as set forth in Subdivisions 1 to 14 inclusive, of Chapter 138, Laws of 1915, as amended by Chapters 29 and 276, Laws of 1917, and by Chapter 413, Laws of 1919, subject to the restrictions and limitations imposed by law on a like stock insurance company, Provided, however, that Section 3308, General Statutes 1913, shall not apply to such guaranty fund, save and except that the guaranty fund of such company shall be invested in the same manner as is provided by law for the investment of its other funds. Every such company shall in its annual statement, show as

separate items, the amount of the guaranty fund and the remaining divisible surplus, and the aggregate of such items shall be shown as surplus to policy holders.

Sec. 2. Restrictions.—When the articles of incorporation of any mutual insurance company, not having a guaranty fund as provided in Section 1 of this act, so provide, it may transact any and all kinds of business as set forth in subdivisions 1 to 14 inclusive, of Chapter 138, Laws of 1915, as amended by Chapters 29 and 276, Laws of 1917, and Chapter 413, Laws of 1919, subject to the conditions and restrictions as to the kinds of insurance which may be combined by a like stock insurance company, and subject to all restrictions contained in the laws of this state with reference to mutual insurance companies transacting the same kinds of business.

Sec. 3. Conditions under which business may be transacted.—No mutual insurance company shall transact the kinds of business specified in Subdivisions 3, 6, 8, 9, 10, 12, 13 and 14 of Chapter 138, Laws of 1915, as amended, except upon compliance with the following conditions:

(a) It shall have not less than three hundred separate risks subscribed for and entered upon its books and one year's premiums thereon paid in cash, and shall have admitted assets of not less than \$10,000, which admitted assets shall be not less than five times the maximum net single risk, as hereinafter defined.

(b) It shall not expose itself to any loss on any one risk or hazard, except as hereinafter provided, in an amount exceeding 10 per cent of its net assets, actual and contingent; such contingent assets being the aggregate amount of the contingent liability of its members for the payment of losses and expenses not provided for by its cash funds. No portion of any such risk or hazard which shall have been re-insured, as authorized by the laws of this state, shall be included in determining the limitation of risk prescribed by this section. For the purpose of transacting employers liability and workmen's compensation insurance, each employee shall be considered a separate risk for determining the maximum single risk.

(c) It shall maintain unearned premiums and other reserves, separately for each kind of business upon the same basis as that required of domestic stock insurance companies transacting the same kind of business.

(d) Except as herein expressly provided, it shall comply with all the provisions of the laws of this state relating to the organization and internal management of mutual fire insurance companies, insofar as the same may be applicable and not inconsistent herewith.

(e) All policies issued by such companies shall provide for a premium or premium deposit payable in cash, and except as herein provided, for a contingent liability of the members at least equal to the premium or premium deposit as adjusted by audit if any. If at any time the admitted assets are less than the reserves and other lia-

bilities, the company shall immediately collect upon policies with a contingent liability a sufficient proportionate part thereof to restore such assets, and the Commissioner may, when such deficiency does not exceed 10 per cent of its admitted assets, by written order direct that proceedings to restore such assets be deferred during the period of time fixed in such order. The contingent liabilities, if any, of the policy holder shall be plainly and legibly stated in every policy in terms of either dollars or premiums.

Sec. 4. Directors and officers may advance money—Rate of interest.—Any director, officer or member of any mutual insurance company, or any other person, may advance to such company, any sum or sums of money necessary for the purpose of its business or to enable it to comply with any requirements of the law and such moneys and such interest thereon as may have been agreed upon, not exceeding 10 per cent per annum, shall be payable only out of the surplus remaining after providing for all reserves and other liabilities and shall not otherwise be a liability or claim against the company or any of its assets. No commissioner or promotion expenses shall be paid in connection with the advance of any such money to the company, and the amount of such advance remaining unpaid shall be reported in each annual statement.

Sec. 5. Directors to fix dividends.—That the board of directors of any mutual insurance company may from time to time fix and determine the amounts to be paid during the year as dividends or a refund of savings and gains to policyholders, provided that no such dividend or refund shall discriminate between members of the same class and that no dividend or refund shall be declared or distributed except out of the net divisible surplus of the company, and no such company shall pay or credit a policy-holder any sum in anticipation of a future dividend or refund.

Sec. 6. Penalties for violation of act.—In case of the failure of any insurance company to comply with any of the provisions of this Act, its right to transact insurance business in this state shall cease, and it shall be the duty of the Commissioner of Insurance to immediately declare its license revoked; and in case of such revocation such company shall not be again licensed to transact business in this state for a period of one year from the date of such revocation.

Sec. 7. Insurance of other kinds not authorized.—Nothing herein shall be deemed to authorize or permit mutual insurance companies to engage in any kind of insurance not included in said subdivisions 1 to 14 of Chapter 138, Laws of 1915, inclusive, as amended, nor shall this act be deemed to apply to life insurance or life insurance companies, nor to Town and Farmers Mutual Insurance Companies, Township mutual insurance companies, Township Mutual Livestock Insurance companies, or Farmers and Township Mutual re-insurance or guarantee associations.

Sec. 8. **Foreign companies governed by Sec. 3591, G. S. 1913.**—The admission of a foreign mutual insurance company to do business under this act, shall be governed by the provisions of Section 3591, General Statutes 1913, insofar as the same are applicable.

Sec. 9. This act shall take effect and be in force from and after its passage.

Approved April 7, 1921.

CHAPTER 201—S. F. No. 960.

An act to amend Section 18, Chapter 34, Special Laws of 1889, relating to the municipal court of the city of Minneapolis, as amended by Chapter 465 of General Laws of 1907, and Chapter 126 of General Laws of 1911, and Chapter 263 of General Laws 1917, and Chapter 482 of General Laws of 1917, and Chapter 303 General Laws of 1919, and to amend Section 287 of the General Statutes of Minnesota for 1913, relating to the salaries and fixing the duties of certain city officers.

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

Section 1. **Salaries of judges and clerks of municipal court in certain cities.**—That Section 18 of Chapter 34 of Special Laws of 1889, as heretofore amended, be amended to read as follows:

Section 18. The judges and clerks of said court shall receive the following yearly salaries, in each case payable out of the treasury of the city of Minneapolis, in semi-monthly installments, to-wit: each judge, five thousand dollars; clerk, thirty-two hundred dollars; first deputy clerk, twenty-two hundred dollars; second deputy clerk, two thousand dollars; three deputy clerks, sixteen hundred dollars each; one deputy clerk, sixteen hundred dollars; one deputy clerk, fifteen hundred dollars; one deputy clerk, fourteen hundred dollars; and one clerk to serve as chief clerk for the conciliation court, twenty-one hundred dollars.

It shall be the duty of the police officers of said city to serve all processes issued by said court, except as otherwise provided by this act. Police officers in making service or any process or doing any other duty in respect to cases of said court, shall note and return to the court for collection such fees for such service as are allowed to constables for like services in justices' courts. The fee so charged by the clerk, or any officer, shall be collected by the clerk as costs and by him accounted for and paid to the city treasurer of said city as hereinbefore provided.

Said clerk shall pay witness fees in criminal actions upon order of the court, taking receipts therefor in such form as the court may direct, which receipts shall be vouchers for payment of the sums therein named, which sums shall be noted on the monthly reports of said clerk and deducted from the amount otherwise shown to be due