

maintaining such class or classes, the sum of three hundred (300) dollars for necessary school expense on account of each blind child instructed in such class or classes, having an annual session of at least nine months during the year preceding the first day of July, providing such child has been in attendance the full nine months or a proportionate amount for such time as they have attended.

It shall be the duty of the treasurer of the school district or the board of education receiving aid provided for in this section, to render annually to the state *commissioner* of education, an itemized statement of all expenditures of said class or classes. Any surplus at the end of the year not expended for salaries of special teachers, *special instruction*, *special readers*, special supervision, special equipment, special material and transportation of pupils of such class or classes, shall be reserved as a special fund for the education of blind children of that district and can be used for no other purpose.

Sec. 2. This act shall take effect and be in force from and after its passage.

Approved April 19, 1923.

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#### CHAPTER 410 -H. F. No. 1198.

*An act to amend Section 3318, General Statutes Minnesota 1913, relating to standard fire insurance policies.*

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

Section 1. **Standard fire insurance policies.**—Section 3318, General Statutes Minnesota 1913 is hereby amended so as to read as follows:

"No fire company shall issue on property in this state any policy other than the standard form herein set forth, the blanks for which may be filled in print or in writing, and no condition, stipulation, or term, other than those therein provided for, whether as to jurisdiction, limitation, magistrate, certificate, or otherwise, shall be valid if inserted in any such policy, except as follows:

L. It may print on or in its policy its name, location, and date of incorporation, the amount of its paid-up capital, 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 ....."

2. It may print or use in its policy printed forms of description and specification of the property insured, including permits for the use of electricity, gasoline, acetylene or storage of other extra hazardous product or material, for repairs and improvements, for the operation or ceasing to operate, for the maintenance of sprinkling or other improvements, and for the use of the premises for ordinary work and materials incident to the business.

Any permit for the use or storage of a hazardous product may contain a caution giving instructions as to the proper method of use or storage.

It may print or use in its policy printed forms for insurance against loss of rents and rental values, leaseholds, *values*, use and occupancy, and indirect or consequential loss or damage caused by change of temperature resulting from the destruction of refrigerating or cooling apparatus, or any of its connections. It may also use a form specifically excluding the last mentioned hazard.

*All contracts of insurance against loss of rents and rental values, leasehold values, use and occupancy, shall contain the following provision:*

*'The period of indemnity under this contract shall be limited to such length of time (commencing with the date of the fire and not limited by the date of the expiration of the policy) as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property described in said policy as may be destroyed or damaged.'*

When the policy covers a lumber risk upon the request of the insured in writing, of which fact such writing shall be the only evidence, and if in consideration thereof, a reduction in the rate of premium is made by the company, the form known as the "clear space lumber clause" may be used, said form to be in the following terms, to-wit:

The rate of premium upon the within policy has been reduced from the sum of \$. . . . . to the sum of \$. . . . . and in consideration of such reduction the assured agrees that a continuous space of . . . . . feet shall hereafter at all times be maintained between the property hereby insured and any woodworking or manufacturing establishment; said space shall, in all cases, exclude and be measured from the exterior boundary of any permanent structure or addition connected with or attached to (here insert description of nearest woodworker); said space not to be occupied by any independent or disconnected building or structure (here insert exceptions if any), or by accumulation of combustible materials of any kind and except the loading or unloading only within or transportation of lumber or timber products across such clear space. It shall not be used for handling, piling or sorting lumber for temporary purposes or otherwise. This clause shall not be construed to prohibit the maintenance of operation within said clear space of tramways used exclusively for the transportation of lumber, provided, that lumber is neither piled or stored thereon. Sorting platforms shall not be held tramways within the meaning of this clause, and failure upon the part of the insured to comply with the terms of this clause shall not avoid this policy, nor in any manner lessen the liability of the company hereunder but in case of such failure the assured shall be liable to the company for the difference in the premium hereinbefore set forth.

It may also print or use in its policy *in case the assured desires* a permit containing what is known as the "watchman clause," said clause to be in the following words, to-wit:

The insured agrees that during the continuance of this policy he will uniformly and constantly maintain a watch service in connection with said premises, and in consideration of such uniform and constant watch service the rate of premium charged upon the policy has been reduced from \$. . . . . to \$. . . . . and it is hereby expressly agreed and understood that the failure of the assured to maintain such uniform and constant watch service or comply with this clause or agreement, shall in no manner nor to any extent avoid this policy, or in case of loss lessen the liability of the company under this policy; but in the event of the failure of the assured to maintain such watch service or perform his part of this agreement, he shall then be liable, and hereby agrees to pay said full premium for the unexpired term of said policy.

It may also print or use in its policy a printed form providing that in case of a risk equipped with automatic sprinklers the assured shall use due diligence in seeing that the equipment is properly maintained; also a permit that the premises may remain vacant or unoccupied for a stipulated number of days beyond the thirty (30) days provided in the policy, for which permit an additional premium may be charged; also a form whereby the assured agrees that, for a reduction in the rate of premium, barrels and buckets of water shall be kept at hand at all times; that failing so to do, the assured shall be liable for the highest rate written in the policy; also a form may be attached excluding liability for loss or damage to dynamos and other electrical appliances caused by electric current, either natural or artificial.

It may also print or use in its policy printed forms providing that in case of loss, such loss shall be payable to the mortgagee, as his, her, its, or their interest may appear, a printed form in the following words, to-wit:

"Subject to the stipulations, provisions and conditions contained in this policy, the loss, if any, is payable to . . . . . mortgagee, as his, her, its, or their interest may appear."

It may also print or use in its policy in case the assured desires liability to attach to several buildings, divisions or locations under one item, a printed form in the following words, to-wit:

It is hereby agreed in case of loss, this policy shall attach in or on each building, division, or location in such proportion as the value in or on such building, division or location bears to the aggregate value of the subject insured.

It may also print or use in its policy the following clause, to-wit:

The insured has relinquished all rights to recover for loss or damage by fire from . . . . .

(Here insert name of individual, partnership, association or corporation).

3. If insuring against damage by lightning, it 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."

4. If incorporated or formed in the state, it may print in its policy any provision which it is authorized or required by law to insert therein; if not incorporated in this state, it may, with the approval of the 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.

5. It may print upon any policy issued in compliance herewith the words "Minnesota Standard Policy."

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

7. When two or more authorized companies unite in the issue of a joint policy, the heading thereof may show the severalty of the contract, and also the proportion of premium to be paid to each, and the proportion of liability which each assumes.

In the printed conditions of such standard policy the necessary changes may be made from the singular to the plural number when reference is had to the companies issuing such policy. It shall be plainly printed, no portion thereof in smaller than long primer type, and shall be as follows, to-wit:

No. .... \$.....

(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, evidences 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 ....., beginning on the ..... day of ....., in the year nineteen hundred and ..... at noon, and continuing until the ..... day of ....., in the year nineteen hundred and ..... at noon, against all loss or damage by fire originating from any cause except invasion, foreign enemies, civil commotion, 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 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 days without such assent, or if it be a manufacturing establishment running in whole or in part extra time, except such establishment may run in whole or in part extra hours, not later than 9 o'clock p. m., or if such establishment shall cease operations for more than thirty days without permission in writing indorsed 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 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 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 days after such statement is submitted, notify the insured of its intention 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 or 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 mortgagee, 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 written 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 the loss, it is mutually agreed that the amount of such loss shall, as above provided, be ascertained by two competent, disinterested and impartial appraisers who shall be residents of this state, the insured and this company each selecting one within fifteen days after a statement of such loss has been rendered to the company, as herein provided, and in case either party fail to select an appraiser within such time the other appraiser and the umpire selected, as herein provided may act as a board of appraisers and whatever award they shall find shall be as binding as though the two appraisers had been chosen; and the two so chosen shall first select a competent, disinterested and impartial umpire; provided that if after five days the two appraisers cannot agree on such an umpire, the presiding judge of the district court of the county wherein the loss occurs may appoint such an umpire upon application of either party in writing by giving five days notice thereof in writing to the other party. Unless within fifteen days after a statement of such loss has been rendered to the company, either party, the assured or the company, shall have notified the other in writing that such party demands an appraisal, such right to an appraisal shall be waived; the appraisers together shall then estimate and appraise the loss, stating separately sound value and damage and, failing to agree, shall submit their differences to the umpire; and the award in writing of any two shall determine the amount of the loss; the parties thereto shall pay the appraisers respectively selected by them and shall bear equally the expenses for the appraisal and umpire. The fees of any appraiser or umpire shall in no case exceed ten dollars (\$10.00) per day.

No suit or action against the 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 its president and attested by its secretary (or by such proper officers as may be designated), at its office in .....Date .....

Approved April 19, 1923.

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#### CHAPTER 411—H. F. No. 258.

*An act amending Sections 5272, 5273, General Statutes, 1913,*