

ment plan until at least *three hundred (300)* persons eligible to membership therein have made individual applications in writing therefor; containing warranties of age, health and other required conditions of membership, and shall have on deposit with the commissioner of insurance of this state as security for all its policyholders, stocks or bonds, of this state or of the United States or bonds of any of the municipalities of this state, or personal obligations secured by first mortgage on real estate within this state, worth, exclusive of buildings, the amount of the lien, and bearing interest of not less than three per cent per annum, to an amount, the actual market value of which exclusive of interest shall never be less than ten thousand dollars, provided that any such corporation which has heretofore procured and filed with the Commissioner of Insurance a part of the total number of applications required by law shall only be required to deposit securities of the market value of \$5,000.00, provided, however, such a corporation that confines its membership exclusively to the members of volunteer fire departments shall be required to have not less than one hundred (100) individual applications in writing from persons eligible to membership and the sum of at least one thousand dollars (\$1,000), which amount shall be liable only for death or indemnity claims made under its policy or membership certificate contracts."

This act shall become effective on and after its passage.

Approved April 21, 1931.

CHAPTER 288—S. F. No. 1079

An act to amend Mason's Minnesota Statutes for 1927, Section 3547, relating to mutual insurance companies.

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

Section 1. Prerequisites of mutual companies transacting business other than life, fire, accident, etc.—That Mason's Minnesota Statutes for 1927, Section 3547, be amended so as to read as follows:

“Section 3547. No mutual insurance company *hereafter organized* shall be licensed to transact *any of the kinds of business specified in subdivisions 3, 5, 6, 8, 9, 10, 12, 13 and 14 of Chapter 138, Laws 1915, as amended, except upon compliance with the following conditions:*

(a) It shall have not less than three hundred *bona fide applications for policies of insurance of each kind sought to be written, signed by at least three hundred members, covering at least three hundred separate risks, each risk, within the maximum net single risk described herein and one year's premiums thereon paid in cash, and shall have admitted assets of not less than \$10,000, which admitted assets shall not be less than five times the maximum net single risk, as hereinafter defined, and shall have on deposit with the commissioner of insurance of this state, as security for all of its policy-holders, stocks or bonds of this state or of the United States or bonds of any of the municipalities of this state, or personal obligations secured by first mortgage on real estate within this state worth, exclusive of buildings, the amount of the lien, and bearing interest of not less than three per cent per annum, to an amount, the actual market value of which, exclusive of interest, shall never be less than ten thousand dollars. Provided, however, that no such company shall be authorized to insure against loss or damage by the bodily injury or death by accident of any person employed by the insured, for which the insured is liable under the so-called "Workmen's Compensation Law," unless and until such company shall comply with the provisions of Mason's Minnesota Statutes of 1927, Section 3566 to 3585 inclusive.*

(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. Such contingent liability, for the purpose of this act, to be an amount not to exceed one annual premium as stated in the policy. No portion of any such risk or hazard which shall have been reinsured, 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 liabilities, 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 policyholders shall be plainly and legibly stated in every policy in terms of either dollars or premiums."

This act shall become effective on and after its passage.

Approved April 21, 1931.

CHAPTER 289—S. F. No. 1191

An act to amend Mason's Minnesota Statutes of 1927, Sections 1828-17, 1828-18, and 1828-19 relating to the incorporation of cities of the fourth class.

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

Section 1. Incorporation — petition — first election. — That Mason's Minnesota Statutes of 1927, Section 1828-17 be amended to read as follows: