

twenty-five per cent of the unassigned surplus and capital of the company.

(8). Loans on the security of insurance policies issued by itself to an amount not exceeding the net or reserve value thereof; and loans on the pledge of any of the securities enumerated in subdivisions (1) to (7) above, to the extent of the investment permitted in such securities, but not exceeding eighty per cent of the market value of stocks and ninety-five per cent of the market value of any other securities, and in all loans, except as otherwise provided by law in regard to policy loans, reserving the right at any time to declare the indebtedness due and payable when in excess of such proportion or upon depreciation of security.

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 or property, or enter into any transactions for such purchase or sale on account of said company jointly with any other person, firm or corporation; nor shall any such company enter into any agreement to withhold from sale any of its property, but the disposition of its property shall be at all times within the control of its board of directors."

Approved April 9, 1941.

CHAPTER 141—H. F. No. 766

An act relating to the valuation of bonds and other securities, by insurance companies and fraternal beneficiary associations, by the amortization method, amending Mason's Minnesota Statutes of 1927, Section 3306.

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

Section 1. Law amended.—Mason's Minnesota Statutes of 1927, Section 3306, is hereby amended to read as follows:

"3306. Valuation of bonds by amortization.—All bonds or other evidences of debt having a fixed term and rate held by an insurance company or fraternal beneficiary association authorized to do business in this state may, if amply secured and not in default as to principal and interest, be valued as follows: If purchased at par, at the par value; if purchased

above or below par, on the basis of the purchase price adjusted so as to bring the value to par at maturity and so as to yield in the meantime the effective rate of interest at which the purchase was made, provided that the purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase; and, provided further, that the commissioner of insurance shall have full discretion in determining the method of calculating values according to the foregoing rule. *If the notes or bonds secured by mortgage or trust deed in the nature thereof which the Federal Housing Administrator has insured or made a commitment to insure are purchased above par, they may, if not in default as to principal and interest, be valued during the first five years after purchase on the basis of the purchase price adjusted in equal annual instalments to bring the value to par at the end of five years."*

Approved April 9, 1941.

CHAPTER 142—H. F. No. 772

An act relating to the power of the executive council to dispose of certain lands acquired by the state; amending Mason's Supplement 1940, Sections 6340-1 and 6340-2.

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

Section 1. **Law amended.**—Mason's Supplement 1940, Section 6340-1 is hereby amended to read as follows:

"6340-1. **Executive council to acquire and dispose of lands.**—In all acquisitions of land, made *under authority* of the executive council, involving flood control, water supply, water diversion, control of erosion, reforestation, afforestation and recreation and not presently needed for such purpose or purposes, which may be or have been purchased or acquired under the terms of *Extra Session Laws 1937, Chapter 89, Laws 1935, Chapter 51, or Extra Session Laws 1935-1936*, the executive council is hereby authorized to lease, rent, sell, or otherwise dispose of or deal with, upon such terms and conditions as it may deem advisable, any and all of the lands, buildings or improvements thereon so acquired, *and it may make necessary repairs to any buildings, fences, wells, ditches, roads, or other structures or improvements thereon, and may construct a road over and across a strip of land running north and south, twenty-five (25) feet in width, on each side of the West line of the Southeast Quarter (SE $\frac{1}{4}$) of Section Nine-*