

provided, however, that said amount fixed shall not be less than the amount otherwise fixed by law.

Sec. 2. Laws 1953, Chapter 573, is hereby repealed.

Sec. 3. This act shall become effective upon approval by a majority of the town board of the town of Grand Rapids, and upon compliance with Minnesota Statutes 1961, Section 645.021.

Approved March 22, 1963.

CHAPTER 117—S. F. No. 536

An act relating to small loans; amending Minnesota Statutes 1961, Section 56.15.

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

Section 1. Minnesota Statutes 1961, Section 56.15, is amended to read:

56.15 Small loans, limitation on amount and insurance.
Subdivision 1. No licensee shall, directly or indirectly, charge, contract for, or receive any interest, discount, or consideration greater than the lender would be permitted by law to charge if he were not a licensee hereunder upon the loan, use or forbearance of money, goods, or things in action, or upon the loan, use or sale of credit, of the amount or value of more than \$600. The foregoing prohibition shall also apply to any licensee who permits any person, as borrower, or otherwise, to owe, directly or contingently, or both, to the licensee at any time a sum of more than \$600 for principal.

Subd. 2. No licensee shall, directly or indirectly, sell or offer for sale any insurance in connection with any loan made under this chapter except as and to the extent authorized by this section. Life, accident and health insurance, or any of them, may be written upon or in connection with any loan for a term not extending beyond the final maturity date of the loan contract but only upon one obligor on any one loan contract. The amount of life insurance shall at no time exceed the unpaid balance of principal and charges combined which are scheduled to be outstanding under the terms of the loan contract or the actual amount unpaid on the loan contract, whichever is greater. Accident and health insurance shall provide benefits not in excess of the unpaid balance scheduled to be outstanding under the terms of the loan contract and the amount of each periodic benefit payment shall not exceed the total amount payable divided

Changes or additions indicated by italics, deletions by strikeout.

by the number of installments and shall provide that if the insured obligor is disabled, as defined in the policy, for a period of more than 14 days, benefits shall commence as of the first day of disability. The premium or identifiable charge for such insurance shall not exceed that filed by the insurer with the insurance division of the department of commerce. Such charge, computed at the time the loan is made for the full term of the loan contract on the total amount required to pay principal and charges, may be deducted from the proceeds or may be included as part of the principal of any loan. If a borrower procures insurance by or through a licensee, the statement required by section 56.14 of this chapter shall disclose the cost to the borrower and the type of insurance, and the licensee shall cause to be delivered to the borrower a copy of the policy, certificate, or other evidence thereof, within a reasonable time. No licensee shall decline new or existing insurance which meets the standards set out herein nor prevent any obligor from obtaining such insurance coverage from other sources. If the loan contract is prepaid in full by cash, a new loan, renewal, refinancing, or otherwise (except by the insurance) any life, accident and health insurance procured by or through a licensee shall be canceled and a refund of the unearned premium or identifiable charge shall be rebated. Notwithstanding any other provision of this chapter, any gain or advantage to the licensee or to any employee, affiliate, or associate of the licensee from such insurance or the sale or provision thereof shall not be deemed to be additional or further charges in connection with such loan; nor shall any of the provisions pertaining to insurance contained in this section be deemed prohibited by any other provision of this chapter.

Sec. 2. *This act becomes effective June 1, 1963.*

Approved March 22, 1963.

CHAPTER 118—S. F. No. 26

[Not Coded]

An act relating to the reorganization, administration, and operation of a hospital district in the county of Rice.

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

Section 1. **County of Rice; reorganization of hospital district.**
Subdivision 1. Any hospital district however organized, created, or established and operating within the county of Rice may be reorganized and operate pursuant to the provisions of this act, upon compliance with subdivision 2.

Changes or additions indicated by italics, deletions by ~~strikeout~~.