

THE
STATUTES AT LARGE
OF THE
STATE OF MINNESOTA

COMPRISING

THE GENERAL STATUTES OF 1866

As amended by subsequent Legislation to the close of the Session of 1873

TOGETHER WITH

ALL LAWS OF A GENERAL NATURE IN FORCE, MARCH 7, A.D. 1873

WITH REFERENCES TO

JUDICIAL DECISIONS OF THE STATE OF MINNESOTA, AND OF OTHER
STATES WHOSE STATUTES ARE SIMILAR

TO WHICH ARE PREFIXED

THE CONSTITUTION OF THE UNITED STATES, THE ORGANIC ACT,
THE ACT AUTHORIZING A STATE GOVERNMENT, AND THE
CONSTITUTION OF THE STATE OF MINNESOTA

VOL. I.

COMPILED AND ARRANGED BY

A. H. BISSELL

ATTORNEY-AT-LAW

CHICAGO
CALLAGHAN AND COMPANY

1873

CHAPTER XVIII.*

OF INSURANCE.

(This Chapter is the Act of February 29, 1872. S. L. 1872, 17.)

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TITLE I.

GENERAL PROVISIONS.

SECTION 1. *Object of this chapter (act).*—The object of this chapter (act) is to revise, simplify, and amend the laws of this state in relation to insurance, with due regard to the legislation of other states, so as to secure mutual harmony in the promotion of the public interest, to define the relation of the state to companies

and individuals, to insure the stability of companies, to protect the interests of the assured, and to encourage the employment of capital. And its provisions are to be construed liberally in furtherance of the protection of the insured, and so far as may be in harmony with the construction which may be given by the courts of other states adopting a like chapter (act).

SEC. 2. *The words "the substantial provisions of this act," etc., construed.*—The words "the substantial provisions of this act shall be enacted," shall be construed to mean the provisions of this chapter (act), which define the right to do insurance business, and provide for the stability of companies and the protection of the insured; and differences in respect to the organization of the insurance department, the constitution of companies, or the form of judicial remedies, shall not be deemed to impair the uniformity which this chapter (act) is intended to secure.

SEC. 3. *Restrictive laws of states upon outside insurance companies to be imposed upon their companies.*—When, by the laws of any other state or nation, any taxes, fines, penalties, licenses, fees, deposits of money, or of securities, or other obligations or prohibitions, are imposed on insurance companies of this state doing business in such other state or nation, or upon their agents therein, so long as such laws continue in force, the same obligations and prohibitions, of whatever kind, shall be imposed upon all insurance companies of such other state or nation doing business in this state, and upon their agents here.

SEC. 4. *The term "company" defined.*—The term "company" as used in any provision of this chapter (act), subjecting companies to any obligation or restriction, includes individuals, partnerships, joint-stock associations and corporations.

SEC. 5. *"American company" defined.*—The term "American company," as used in this chapter (act), designates a company which exists by the laws of any state or territory of the United States, or by any law of the United States. All others are designated as foreign.

SEC. 6. *"Company of a state, territory, or nation" defined.*—The expression "company of a state, territory, or nation," as used in this chapter (act), means a company incorporated by or organized under the laws of such state, territory, or nation.

SEC. 7. *"Commissioner" defined.*—The word "commissioner" designates the officer, by whatever name called, who is charged for the time being with the duties of commissioner of insurance.

SEC. 8. *"Oath" defined.*—The term "oath," in this chapter (act), includes affirmations. The term "directors," in this chapter (act), designates the trustees, managers, or officers constituting the executive board of a company. Directors are included in the term "officers," unless a contrary intention appears. The term "agent," or "agents," in this chapter (act), includes an acknowledged agent, surveyor, and all other persons who shall in any manner, directly or indirectly, aid in transacting the business of insurance. Nothing contained in this chapter (act) shall be construed to imply that an agent has any power to bind a company, not expressly, or by necessary implication, given him by the company.

TITLE II.

INSURANCE COMMISSIONER.

SEC. 9 (1 TITLE 2). *Insurance commissioner—appointment—term of office.*—It shall be the duty of the governor, by and with the advice and consent of the senate, to appoint one competent person, a resident and citizen of the state, and with the other qualifications hereinafter provided, who shall be styled the insurance commissioner, who shall be sworn in the manner provided by law for other state officers. He shall hold his office for two years, and execute the duties thereof as herein provided, until his successor is appointed and qualified, and in case of a vacancy by death, removal, resignation, or otherwise, the governor shall fill the same by appointment. No person who is a director, officer, agent, attorney, or stockholder of, or directly or indirectly interested in, any insurance company, except as insured, shall be commissioner; and no officer or agent of any insurance company doing business in this state shall be deputed to examine the affairs of a company under this chapter (act). The said commissioner shall keep his office at the capital of the state, and shall give bonds in the sum of five thousand dollars, with two sureties to be approved by the governor, for the faithful discharge of his duties.

SEC. 10 (2 *ib.* AS AMENDED BY ACT OF MARCH 8, 1873). *Salary.*—Said commissioner shall be entitled to a salary of two thousand dollars per annum, which shall include and cover postage, stationery, and all other office expenses: *provided*, that said salary or expenses shall in no event be a charge upon the state treasury, over and above the fees and license receipts paid into the same by said commissioner. All necessary blanks, forms, and circulars, together with such pamphlet copies of the insurance law as may be required for distribution among persons affected by the provisions of this chapter (act), shall be furnished at the expense of the state. And if the said commissioner shall directly or indirectly receive any compensation or pay for any service or extra service, or for neglect or omission of service, other than is provided in this chapter (act), he shall be deemed guilty of a felony, and, on conviction thereof, shall be subject to a fine not exceeding five thousand dollars, or imprisonment in the state prison for a term not exceeding five years, or both, in the discretion of the court.

S. L. 1873, 132.

SEC. 11 (3 *ib.* AS AMENDED BY ACTS OF MARCH 8, 1873). It shall be the duty of such insurance commissioner:

First. To see that all laws of this state respecting insurance companies are faithfully executed.

Second. To file in his office every charter or declaration of organization of a company, with the certificate of the attorney general; and, on application of the corporators, to furnish to them a certified copy thereof.

Third. He shall, as soon as practicable, in each year following the passage of this chapter (act), calculate, or cause to be calculated, in his office, by officers or employees, of his department (or bureau), the net value, on the 31st day of December of the previous year, of all the policies in force on that day, in each life insurance company doing business in this state, organized by authority of this state; and every other life insurance company doing business in this state, that shall fail to furnish him as hereinafter provided, a certificate of the insur-

ance commissioner of the state by whose authority the company was organized, or by the state in which it may elect to have its policies valued and its deposits made in case the company is chartered by the government of the United States, giving the net values of all policies in force in the company on the 31st day of December of the preceding year.

Fourth. Calculations of the net value of each policy must be based upon the American experience table of mortality, and six per cent. interest per annum. And the net value of a policy at any time shall be taken to be the net single premium which will at that time effect the insurance, less the value at that time of the future net premiums called for by the table of mortality and rate of interest designated above.

Fifth. In case it is found that any life insurance company doing business in this state has not on hand the net value of all its policies in force, after all other debts of the company and claims against it, exclusive of capital stock, have been provided for, it shall be the duty of the insurance commissioner to publish the fact that the then existing condition of the affairs of the company is below the standard of legal safety established by this state, and he shall require the company at once to cease doing new business; and he shall immediately institute proceedings, as required in this chapter (act), to determine what further shall be done in the case.

Sixth. It is hereby made the duty of the insurance commissioner, after having determined as above, the amount of the net value of all the policies in force, and added thereto the amount of all other debts and claims against the company, exclusive of its capital stock: to see that the sum of all liabilities so ascertained, is fully equalled by the total of admitted assets of such company, comprising its real estate, premiums, loans, and notes, cash on hand, rents, and other convertible property, together with the safe legal securities of the description and character hereafter provided in this chapter (act).

Seventh. He shall accept the valuations made by the insurance commissioner of the state under whose authority a life insurance company was organized, when such valuations have been properly made on sound and recognized principles and legal basis, as above: *provided*, the company shall furnish to the insurance commissioner of this state, a certificate from the insurance commissioner of such state, setting forth the value, calculated on the data designated above, of all the policies in force in the company on the previous 31st day of December; and stating that, after all other debts of the company, and claims against it at that time, were provided for, the company had, in safe securities of the character specified in this chapter (act), an amount equal to the net value of all its policies in force; and that said company is entitled to do business in its own state.

Eighth. Every life insurance company doing business in this state during the year for which the statement is made, that fails promptly to furnish the certificate aforesaid, shall be required to make full detailed lists of policies and securities to the insurance commissioner of this state, and shall be liable for all charges and expenses consequent upon not having furnished said certificate.

Ninth. For every company doing fire insurance business in this state, he shall calculate the re-insurance reserve for unexpired fire risks by taking fifty per cent. of the premiums received on all unexpired risks that have less than one year to run, and a *pro rata* of all premiums received on risks that have more than one year to run, provided that when the re-insurance reserve, calculated as above, is less than forty per cent. of all the premiums received during the year, the re-insurance

reserve in this case shall be the whole of the premiums received on all its unexpired risks.

Tenth. In marine and inland insurance he shall charge all the premiums received on unexpired risks as a re-insurance reserve. -

Eleventh. Having charged against a company the re-insurance reserve, as above determined, for fire, inland, and marine insurance, and adding thereto all other debts and claims against the company, he shall, in case he finds the capital stock of the company impaired to the extent of twenty per cent., give notice to the company to make good its whole capital stock within sixty days; and if this is not done, he shall require the company to cease to do new business within this state, and shall thereupon, in case the company is organized under the authority of this state, immediately institute legal proceedings, as required in this chapter (act) to determine what further shall be done in the case. Any company receiving the aforesaid notice of the commissioner to make good its whole capital stock within sixty days, shall forthwith call upon its stockholders for such amounts as will make its capital equal to the amount fixed by the charter of said company; and in case any stockholder of such company shall neglect or refuse to pay the amount so called for, after notice personally given, or by advertisement, in such time and manner as the said commissioner shall approve, it shall be lawful for the said company to require the return of the original certificate of stock held by such stockholder, and in lieu thereof to issue new certificates for such number of shares as the said stockholder may be entitled to, in the proportion that the ascertained value of the funds of the said company may be found to bear to the original capital of the said company; the value of such shares, for which new certificates shall be issued, to be ascertained under the direction of the said commissioner, and the company paying for the fractional parts of shares; and it shall be lawful for the directors of such company to create new stock and dispose of the same, and to issue new certificates therefor, to any amount sufficient to make up the original capital of the company. Whenever the capital stock of any joint-stock, fire, or marine insurance company of this state becomes impaired, the commissioner may, in his discretion, permit the said company to reduce its capital stock and the par value of its shares in proportion to the extent of impairment: *provided* that, in fixing such reduced capital, no sum exceeding twenty-five thousand dollars shall be deducted from the assets and property on hand, which shall be retained as surplus assets; *and provided*, that no part of such assets and property shall be distributed to the stockholders; *and provided further*, that the capital stock shall not be reduced to an amount less than that required by law for the organization of a new company. To examine, or cause to be examined, every detail of the business of any company transacting business of insurance within this state, whenever in his judgment such examination is required by the interests of the policy-holders of such company.

Twelfth. It shall be the duty of the insurance commissioner, after he has notified a life insurance company, organized under authority of this state, to cease doing new business until the net value of its policies in force is equal to that called for by the standard of safety established by the state, at once to cause a rigid examination in regard to all the affairs of such company. In case it shall appear that there is no fraud or gross incompetency or recklessness shown to exist in the management, he may, upon publishing the facts in the case, permit such company to continue in charge of its business for one year, provided there is, in his opinion,

reason to believe that the company may eventually be able to re-establish the legal net value of all its policies in force.

Thirteenth. In case the insurance commissioner does not permit the company to continue in the control of its old business, it is hereby made his duty to institute the necessary proceedings for the protection of its policy-holders, in accordance with the laws of this state.

Fourteenth. To publish the result of his examination of the affairs of any company, whenever he deems it for the interest of the public so to do, in one or more papers of this state.

Fifteenth. To suspend the entire business of any company of this state, and the business, within this state, of any other company, during its non-compliance with any provisions of this chapter (act), or whenever its assets appear to him insufficient to justify its continuance in business, by suspending or revoking the certificate granted by him; and to give notice thereof to the insurance commissioner, or other similar officer of every state, and publish the same in the papers in which, by law, state notices are required to be published.

Sixteenth. To institute, or cause to be instituted, the necessary proceeding[s], under the laws of this state, to close the affairs of any company of this state which shall appear to him upon examination to be insolvent, or fraudulently conducted.

Seventeenth. To report in detail, to the attorney general, any violation of law relative to insurance companies, their officers or agents, or the business of insurance.

Eighteenth. To furnish to the companies required by this chapter (act) to report to him the necessary blank forms for the statements required.

Nineteenth. To preserve in permanent form a full record of his proceedings, and a concise statement of the condition of each company or agency visited or examined.

Twentieth. At the request of any person, and on payment of a [the] fee, to give certified copies of any record or papers in his office, when he deems it not prejudicial to public interests so to do, and to give such other certificates as this chapter (act) provides for.

Twenty-first. To make a written report to the governor on or before the first day of July of each year, showing his official acts, the receipts and expenses of his department for the year, the condition of the companies doing business in this state, and such other information as will exhibit the affairs of his department; which report shall be printed to the number of one thousand at the expense of the state, and distributed among the members of the succeeding legislature, and otherwise, as provided in this chapter (act).

Twenty-second. To send a copy of his annual report to the insurance commissioner, or other similar officer, of every other state, and to each company doing business in this state.

Twenty-third. On request, to communicate to the insurance commissioner of any other state in which the substantial provisions of this chapter (act) shall be enacted, any facts which, by law, it is his duty to ascertain respecting companies of this state doing business within such state.

Twenty-fourth. To adopt and to renew, from time to time, when necessary, with the approval of the governor, a seal of office, an impression and description whereof, with the governor's certificate of approval, should [shall] be filed in the office of the secretary of state.

Twenty-fifth. It shall be his duty to see that no company shall be hereafter permitted to issue policies of insurance on lives in this state that does a fire, marine, or inland insurance business. And in determining the capital or assets of any fire insurance company, the commissioner shall exclude all notes given for premium[s] upon policies issued.

S. L. 1873, 132, 134.

SEC. 12 (4 *ib.*) *Powers of commissioner.*—The insurance commissioner, for the purposes of examinations authorized by law, has power, either in person or by one or more examiners by him commissioned in writing :

First. To require free access to all books and papers, within this state, of any insurance company, or the agents thereof, doing business within this state.

Second. To summon and examine any person being within this state, under oath, which he or any examiner may administer, relative to the affairs and condition of any company.

Third. For probable cause, to visit, at its principal office, wherever it may be, any insurance company not of a state in which the provisions of law contained in this chapter (act) shall be in force, and doing business in this state, for the purpose of investigating its affairs and condition ; and to revoke its certificate in this state, if it does not permit an examination.

Fourth. To revoke or modify any certificate of authority, when any conditions prescribed by law for granting it no longer exist.

Fifth. The insurance commissioner has also power to institute suits and prosecutions, either by the attorney general, or such other attorney as the commissioner may designate, for any violation of this chapter (act), and the commissioner is a necessary party to any proceeding instituted for the purpose of closing up the affairs of any company, when the same shall not be in the name of the state.

SEC. 13 (5 *ib.*) *Punishment for refusal to appear and testify.*—Whoever, without justifiable cause, being within this state, refuses to appear and testify before the commissioner, whenever so required, or obstructs him in the discharge of his duty, shall for each offense be punished by a fine not exceeding one thousand dollars, or by imprisonment not exceeding one year.

SEC. 14 (6 *ib.*) *Instruments executed by the commissioner to be evidence.*—Every instrument executed by the commissioner of this state, or any other state in which the substantial provisions of this chapter (act) shall be enacted, pursuant to authority conferred by this chapter (act), and authenticated by his seal of office, shall be received as evidence in this state ; and copies of papers in his office certified by him, and so authenticated, shall be received as evidence in this state with the same effect as the originals. Every such instrument so executed and authenticated by the commissioner of this state shall be recorded in the same manner, and the same and its record shall have the like effect, as if acknowledged or proved according to law. The impression of the seal may be directly on paper, with or without tenacious substance.

SEC. 15 (7 *ib.*) *Fees to be paid.*—There shall be paid by every company to whom this chapter (act) applies, the following fees toward defraying the expenses of executing its provisions : Upon filing the declaration or certified copy of charter, twenty-five dollars. Upon filing the annual statement or certificate in lieu thereof, twenty dollars. For each certificate of authority and certified copy thereof, one dollar. For every copy of any paper filed with the commissioner, the sum of twenty cents per folio ; and for affixing the official seal to such copy and certifying the same,

one dollar. For valuing policies of life insurance companies, ten dollars per million of insurance, or any fraction thereof. For official examinations of companies under this chapter (act), the actual expenses incurred. For countersigning and registering policies and annuity bonds, the reasonable expenses of custody, registration, and issue. All fees or fines received or collected by the commissioner under the provisions of this chapter (act) shall be paid over to the state treasurer, accompanied with a statement in detail, on the last week day of every month.

SEC. 16 (8 *ib.*) *Excess of expenses of commissioner over fees, how assessed.*—In case the necessary expense of said commissioner exceed the amount of fees collected under this chapter (act), and paid into the state treasury (exclusive of the tax upon premiums), the excess of such expense shall be annually assessed by the commissioner, in equal shares, upon all the insurance companies doing business in this state, and the commissioner has power to collect such assessments and pay the same into the state treasury.

SEC. 17 (9 *ib.*) *Transfer of securities.*—No transfer by the insurance commissioner of securities of any kind, in any way held by him in his official capacity, is valid until countersigned by the treasurer of the state. It is the duty of the state treasurer :

First. To countersign any such transfer presented to him by the commissioner, when satisfied of the propriety thereof ;

Second. To keep a record of all such transfers, stating the name of the company from whose account the transfer is made ; the name of the transferee, unless transferred in blank ; and a description of the security ;

Third. Upon countersigning, to advise by mail the company concerned of the particulars of the transaction ;

Fourth. In his annual report to the legislature, to state the amount of transfers countersigned by him.

SEC. 18 (10 *ib.*) *Manner of verifying correctness of record.*—For the purpose of verifying the correctness of records, the commissioner is entitled to free access to the treasurer's record required by section seventeen (nine), and the treasurer is entitled to free access to the books and other documents of the insurance commissioner, relating to securities held by the commissioner.

TITLE III.

PROVISIONS APPLICABLE TO ALL CLASSES OF COMPANIES.

SEC. 19 (1, TITLE 3). *Insurance contracts to be made, how.*—It is unlawful for insurers or their agents to make, negotiate, or solicit, within this state, any contract of insurance, except as authorized in this chapter (act).

SEC. 20 (2 *ib.*) *Life insurance.*—No company hereafter organized in this state shall make insurance upon the lives of individuals, nor grant, purchase, or dispose of annuities unless organized solely therefor, and doing such business exclusively.

SEC. 21 (3 *ib.*) *Charters, organization, etc., to be submitted to attorney general.*—No declaration of organization or charter of an insurance company formed under any general law of this state, and no alteration or amendment thereof, shall be operative until it has been submitted to the attorney general for examination ; and

found by him to be in accordance with the provisions of this chapter (act), and of such general law, and not inconsistent with the constitution and laws of the United States and of this state; and so certified by him, and delivered to the insurance commissioner.

SEC. 22 (4 *ib.*) *Investment of capital stock, etc.*—The capital stock and accumulations of any insurance company of this state shall be invested in the bonds or treasury notes of the United States, or national bank stocks, or bonds of this state or any other state of the United States, or of any city, town, or county of this state, or of any other state of the United States, having legal authority to issue the same, bearing interest at their market value, or in any interest or dividend paying stocks or bonds issued under the laws of this state at their known market value, or they may be invested or loaned on mortgages of unencumbered real estate in this or any other state of the United States worth at least double the amount loaned thereon, exclusive of buildings, except when such buildings are insured and the policies duly assigned as additional security, or loaned on pledges of any of the securities named in this section: *provided always*, that the current market value of such pledged securities shall be at all times during the continuance of such loans at least twenty per cent. more than the sum loaned on them, and all such loans are subject to the power of the company to terminate the same in case of depreciation of the securities below the limit: *and provided*, that in all investments made upon mortgage securities the evidence of the debt shall accompany the mortgage or deed of trust. No dividends shall be paid except from surplus in excess of the minimum capital stock required by law, reserve fund for re-insurance of policies, and other liabilities of the company. But this section shall not be construed to affect the power of a company to make dividends not impairing its capital and its reserve.

SEC. 23 (5 *ib.*) *Commencing business, what commissioner must certify.*—Before any insurance company of this state shall do any business, the insurance commissioner shall cause an examination to be made, either by himself or by a disinterested person appointed by him for that purpose, who shall certify, under oath, that the capital herein required of the company named in the charter, according to the nature of the business proposed to be transacted by such company has been paid in in money, and invested in such securities as are required by section twenty-two (four) of this chapter (title).

SEC. 24 (6 *ib.*) *Conditions before commencing business.*—Before any insurance company shall commence business in this state, the following conditions must be complied with:

First. It must be fully organized.

Second. If it be a company not of this state, a copy of its charter, duly accepted, or its declaration of organization, or deed of settlement, duly approved, in section twenty-one (three) and duly certified by the insurance commissioner or other proper officer of its own state or nation, with his certificate that the company is entitled to assume risks and issue policies therein, together with the stipulation respecting service of process in this state, required by section thirty-nine (twenty-one) of this chapter (title), and a statement of the place where it is located must be filed with the insurance commissioner of this state.

Third. It must procure from the insurance commissioner of this state a certificate that it has complied with the provisions of the law of this state applicable to it, and is entitled to assume risks and issue policies in this state.

SEC. 25 (7 *ib.*, AS AMENDED BY ACT OF MARCH 8, 1873). *Agents to have*

certificate of authority.—No person shall act as agent, in this state for any company not of this state, in any matter whatever relating to risks, until the last section has been complied with on the part of the company, and he has received from the insurance commissioner a certificate of authority, stating that the foregoing requirements have been complied with, a record of which certificate shall be kept in the office of the commissioner. A renewal certificate must be procured and filed within sixty days from the first day of January in each year.

Any such person or agent doing, or attempting to do, business in any way relating to insurance in this state without such certificate of authority, in violation of this section, or after said certificate shall have been revoked, shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be fined in a sum not exceeding five hundred dollars for each offense.

S. L. 1873, 133. *Vide* 11 Wis. 494.

SEC. 26 (8 *ib.*) *Location of company and amount of risks to be published.*—Every insurance company or agent thereof doing business in this state, shall, in all advertisements of such company, or agency, publish the location of the company, giving the name of the city, town, or village, in which the company is located, and the state or government under the laws of which it is organized, and in all advertisements and circulars in which the capital of the company, so advertising, is stated, the amount at risk on the preceding 31st of December, shall be stated.

SEC. 27 (9 *ib.*) *Under what conditions may hold, etc., real estate.*—It is unlawful for any insurance company of this state to purchase, hold, or convey real estate anywhere, and for any other insurance company to purchase, hold, or convey real estate within this state, except for the purposes and in the manner and time following :

First. Such as shall be requisite for its accommodation in the transaction of its business ; or,

Second. Such as shall have been mortgaged to it in good faith, by way of security for loans previously contracted, or for moneys due ; or,

Third. Such as shall have been conveyed to it in satisfaction of debts previously contracted in the course of its dealings ; or,

Fourth. Such as shall have been purchased at sales upon judgments, decrees, or mortgages obtained or made for such debts. Real estate lawfully acquired as aforesaid, and not necessary for the accommodation of the company in the transaction of its business, shall be sold and disposed of within five years after its acquiring title to the same ; unless the company procures a certificate from the insurance commissioner that the interest of the company will suffer materially by a forced sale thereof, and extending the time for the sale to a period fixed in said certificate. Any company of a state in which the provisions of law contained in this chapter (act) shall be in force, may purchase, hold, and convey real estate within this state, or any other of the said states, for the purposes and in the times and manner above provided for.

SEC. 28 (10 *ib.*) *Securities to be compared with record.*—Every insurance company having deposited securit[ies] with the insurance commissioner, whether under this chapter (act) or any other, must, by its president, secretary, or attorney, examine the securities and compare them with the books of the commissioner, once or more in each calendar year, at such times, in, or during business hours, as the company may direct, and if found correct, give the commissioner a written acknowledgment that the same, designating the kinds and the amounts, are in his custody at the date of the acknowledgment.

SEC. 29 (11 *ib.*) *Penalty for violation of law and false representations.*—If any insurance company doing business in this state, shall violate any of the provisions of this chapter (act), or shall, by means of any advertisement, circular, notice, or statement, printed or written, published, posted, or circulated, through and by the agency of any officer, agent, or other person, or by any other means, falsely represent or hold out to the public that the capital stock of such company is greater than its actual amount, or that the accumulation of such company is greater than its actual cash or market value, every director, officer, or agent of such company guilty of any willful participation therein, shall be deemed guilty of a misdemeanor, and on conviction thereof, shall be punished by a fine not exceeding one thousand dollars, or by imprisonment in the county jail not exceeding three months, or by both such fine and imprisonment, in the discretion of the court; and if any such company, after any such false advertisement, posted or circulated, shall receive any money, note, or obligation for the payment of money, from any person, as a consideration for any insurance made, or policy issued, or to be issued by such company, such money, note, or obligation shall be deemed and taken to have been received without consideration, and the directors of such company, and any officer or agent receiving the same, shall be jointly and severally liable in a civil action for the repayment thereof, and shall also in like manner be liable to the person insured for the amount of the premium paid.

SEC. 30 (12 *ib.*) *Annual statement, when to be made and published.*—Every insurance company doing business in this state must transmit to the insurance commissioner a statement of its condition and business for the year ending on the preceding 31st of December, which statement shall be rendered within sixty days thereafter, except that foreign companies shall transmit their statement of business, other than that done in the United States, prior to the following first day of July. Said statement must be published at least three times in some newspaper of general circulation, printed and published at the capital of the state.

SEC. 31 (13 *ib.*) *What the annual statements shall contain.*—The annual statements required by the last section must be in form, and state the particulars as follows:

First. The amount of the capital stock of the company actually paid in.

Second. The property or assets held by the company, specifying:

- (1.) The value, as nearly as may be, of the real estate held by said company.
- (2.) The amount of cash on hand and deposited in banks to the credit of the company, specifying in what banks the same are deposited.
- (3.) The amount of cash in the hands of agents, and in course of transmission.
- (4.) The amount of loans, secured by mortgages and bonds, constituting the first lien on real estate, on which there shall be less than one year's interest due or owing.
- (5.) The amount of loans on which interest shall not have been paid within one year previous to such statement.
- (6.) The amount due the company on which judgments have been obtained.
- (7.) The amount of stocks of this state, of the United States, of any incorporated city of this state, and of any other bonds or stocks owned by the company, specifying the amount, number of shares, and par and market value of each kind of stock on the day of making statement.
- (8.) The amount of stocks held thereby as collateral security for loans, with the amount loaned on each kind of stock, its par value and market value on day of making statement.

(9.) Amount of interest due and accrued not paid.

Third. The liabilities of such company, specifying :

(1.) The amount of losses due and yet unpaid.

(2.) The amount of claims for losses resisted by the company.

(3.) The amount of losses incurred during the year, including those claimed and not yet due, and including the probable amount of those reported to the company, upon which no action has been taken : *provided*, that all such losses incurred in the state of Minnesota shall be reported separately and apart from those incurred in any other state or country.

(4.) The amount of dividends declared and due, and remaining unpaid.

(5.) The amount of dividends, if any, declared, but not yet due.

(6.) The amount of money borrowed, and security, if any, given for the payment thereof.

(7.) All other existing claims against the company.

(8.) The gross amount of risks taken during the past year.

(9.) The amount of risks taken in the state of Minnesota during the past year.

(10.) The whole amount of risks outstanding.

(11.) The amount of outstanding risks in the state of Minnesota.

(12.) The whole amount of unearned premiums on outstanding risks.

(13.) The amount of unearned premiums on outstanding risks in the state of Minnesota.

Fourth. The income of the company during the preceding year, specifying :

(1.) The whole amount of cash premiums received.

(2.) The amount of premiums received on policies issued in the state of Minnesota.

(3.) The whole amount of interest money received.

(4.) The amount of interest money received on loans in the state of Minnesota.

(5.) The whole amount of income received from other sources.

Fifth. The expenditures during the preceding year, specifying :

(1.) The whole amount of losses paid during the past year, stating how much of the same accrued prior, and how much subsequent, to the date of the preceding statement, and the amount at which losses were estimated in such preceding statement.

(2.) The amount of losses paid upon risks taken in the state of Minnesota during the past year, stating how much of the same accrued prior, and how much subsequent, to the date of the preceding statement, and the amount at which losses were estimated in such preceding statement.

(3.) The amount of dividends paid during the past year.

(4.) The whole amount of salaries paid officers and agents of the company.

(5.) The amount of salaries paid officers and agents employed in the state of Minnesota.

(6.) The whole amount of commissions and fees paid officers and agents.

(7.) The amount of commissions and fees paid officers and agents employed in the state of Minnesota.

(8.) The whole amount of all and any other expenses not herein enumerated.

(9.) The amount of taxes paid, specifying separately and apart the amount paid in this state.

(10.) The amount of fees of all and every kind paid the treasurer of the state of Minnesota, specifying date, for what purposes, and amount.

Sixth. The number of agents and other officers employed in the state of Minnesota.

SEC. 32 (14 *ib.*) *Commissioner may require statement at any time.*—The insurance commissioner may require, at any time, statements from any company doing business within this state, or any of its officers or agents, on such points as he deems necessary and proper, to elicit a full exhibit of its business and standing.

SEC. 33 (15 *ib.*) *Statement, how verified.*—The statement required under this chapter (act) must be verified by the signature and oath of the president or vice-president, with those of the secretary or actuary; or by those of a majority of the directors.

SEC. 34 (16 *ib.*) *No company to do business without statement.*—No company having neglected to file a statement required from it, within the time and in the manner prescribed, shall do any new business, after a notification by the commissioner, while such neglect continues.

SEC. 35 (17 *ib.*) *Forfeiture for neglect to furnish statement.*—Any company willfully neglecting to make and transmit any statement required shall forfeit one hundred dollars for each day's neglect.

SEC. 36 (18 *ib.*) *Penalty for false statement.*—Any company or person willfully making a false statement in any report to the commissioner is liable to a penalty of five hundred dollars, which sum must be paid to the commissioner, in default of which the certificate of authority shall be revoked.

SEC. 37 (19 *ib.*) *Commissioner may defer publication of statement.*—The insurance commissioner has authority to prevent publication of any part of the statement made under this title (article), until his annual report to the legislature is made.

SEC. 38 (20 *ib.*) *Receiver or trustee of company to make statement.*—Every receiver or other judicially-appointed trustee of an insurance company of this state must make the statements required under this title (article), and all the provisions of this title (article) shall apply to such receivers or trustees.

SEC. 39 (21 *ib.*, AS AMENDED BY ACT OF MARCH 8, 1873). *Requirements before company may do business in this state.*—No American company, not of this state, nor its agents, shall do business in this state until it has filed with the insurance commissioner a written agreement, under the seal of the company, signed by the president and secretary thereof, and agreeing upon the part of the company, that service of process, in any civil action against the company, may be made upon such agent or agents as it shall designate in said agreement, and authorizing such agent or agents for and in behalf of such company, to admit such service of process upon him or them, and agreeing that the service of process upon such agents shall be valid and binding upon the company as if made upon the president and secretary thereof. No foreign insurance company, nor its agents, shall do business in this state until it has filed with the insurance commissioner of this state a written stipulation, duly authenticated by the company, agreeing that any legal process affecting the company, served on the insurance commissioner, shall have the same effect as if served personally on the company within this state. Any such foreign company may, at its option, explicitly designate in its stipulation its principal office or agency in this state, and in such case the stipulation may be that any legal

process served on the insurance commissioner, and also on the person in charge of such office at the time when service is made, shall have the same effect as if served personally on the company, and that if there be no person in charge, or if he keeps himself concealed, or avoid service, such process may be served on him, or at such office, by publication, or posting or otherwise, in the manner which shall then be prescribed by the law of this state for substituted service, and that if such company should cease to maintain such office in this state so designated, such process may thereafter be served on the insurance commissioner alone.

S. L. 1873, 135.

SEC. 40 (22 *ib.*) *Stipulation as to process irrevocable.*—So long as any liability of the stipulating company to any resident of this state continues, such stipulation cannot be revoked or modified; except that a new one may be substituted so as to require or dispense with service at the office, or to change the designation of such office.

SEC. 41 (23 *ib.*) *What deemed sufficient personal service.*—Service of process, according to a stipulation under section thirty-nine (twenty-one), shall be sufficient personal service on the company. A copy of such stipulation certified by the commissioner and his certificate of revocation or modification of such stipulation, that a company has no office within the state duly designated by such stipulation, and that process has been duly served on him, or either of such facts, shall be sufficient evidence thereof.

SEC. 42 (24 *ib.*) *Commissioner to mail copy of process.*—When process against or affecting an insurance company is served on the insurance commissioner, he must file the same, and forthwith mail a certified copy to the company at its home office, postage prepaid.

SEC. 43 (25 *ib.*) *Process, how defined.*—The term "process," in this chapter (act) includes any writ, summons, or order, whereby any action, suit, or proceeding shall be commenced, or which shall be issued in or upon any action, suit, or proceeding.

SEC. 44 (26 *ib.*) *Revocation of authority upon non-satisfaction of judgment.*—Whenever a judgment for the recovery of money has heretofore been or hereafter may be recovered in any of the courts of this state or in any of the courts of the United States having jurisdiction in this state, against any insurance company or against any association, partnership, firm, or individual engaged in the business of insurance, and holding a certificate of authority therefor from the state treasurer, under the laws of the state or from the insurance commissioner under this chapter (act), and an execution thereon is issued and duly returned unsatisfied in whole or in part, proof is made by any person, by filing with the insurance commissioner a certified transcript of the docket of such judgment, together with a certificate of the clerk of the court in the county where the judgment roll in said action is filed and the judgment therein is docketed, that an execution has been issued on such judgment to the proper officer of such county and returned unsatisfied in whole or in part, and with the date of issuing and return, the insurance commissioner shall forthwith revoke all authority or license for the transaction of any kind of insurance business within this state conferred upon such insurance company, association, partnership, firm, or individual by any certificate therefor granted by said commissioner to such company, association, partnership, firm, or individual under the provisions of this chapter (act), and shall withhold therefrom any new certificate of authority, such as is contemplated herein, until such judgment so docketed against such company, asso-

ciation, partnership, firm, or individual, is wholly paid and satisfied, and proof thereof filed with such commissioner by the official certificate of the clerk of the court in the county where the judgment roll is filed and judgment docketed, showing that the same is satisfied of record, and until the expenses and fees incurred in the case under the provisions of this title are also paid by such company, association, partnership, firm, or individual; and the insurance commissioner shall also forthwith cause notice of such revocation of authority to be published in some daily newspaper, printed and published at the capital of the state for at least one week; and during the time such authority or license remains so revoked it shall be unlawful for the company, association, partnership, firm, or individual holding such revoked certificate of authority or any of its agents or officers, to issue or renew any policies of insurance, take any risks, or transact any business relating to insurance, except such as is absolutely necessary in closing up its affairs in this state.

SEC. 45 (27 *ib.*) *Transfer of duties and responsibilities to commissioner.*—All duties heretofore required to be performed by, or responsibility imposed upon, the state treasurer of this state under the existing laws regulating insurance companies, shall hereafter be performed by the insurance commissioner, so far as such duties and responsibilities are not changed, modified, or repealed by this chapter (act).

SEC. 46 (28 *ib.*) *Annual tax upon gross premiums.*—All insurance companies doing business in this state, under the provisions of this chapter (act), shall annually, at the time the certificate of authority is granted, pay the treasurer of state two per cent. on all premiums received in cash, and other obligations, except what are denominated insurance deposit notes, representing dividends of the company, by their agents or attorneys in this state during the year ending on the preceding thirty-first day of December, which sum shall be paid into the general revenue fund, and shall be in lieu of all other taxes or licenses to be collected from said companies in this state.

SEC. 47 (29 *ib.*) *Responsibility of agents—penalty for embezzlement.*—Agents or employees of any insurance company doing business in this state, appointed or authorized to solicit for applications for insurance, to issue policies, to collect premiums on the same, to adjust losses, or to transact any other duties or business for such companies, shall be held personally responsible to such company for any moneys or property received by them for such company; and in case any such agent or employee shall embezzle or fraudulently convert to his own use, or shall take or secrete, with intent to embezzle and convert to his own use, without the consent of such company, any money or other property belonging to such company, which he shall have collected or which shall otherwise come into his possession, or shall be under his care or control by virtue of such agency or employment, or shall receive any consideration other than such allowed by the company for which he is acting, in the settlement or adjustment or payment of a loss, with intent to defraud either said company or any insurer, he shall be deemed guilty of the crime of larceny, and on conviction therefor shall be subject to the fines and penalties provided by statute for the punishment of larceny.

SEC. 48 (30 *ib.*) *False statements, how defined and punished.*—If any person or persons insured in any company doing business in this state as provided in this chapter (act), shall willfully make any false statement, under oath, in making any claim or proof of loss, as required by said company, they shall be deemed guilty of a felony, and shall suffer the pains and penalties of perjury as provided by the laws of this state.

TITLE IV.

FIRE INSURANCE COMPANIES.

SEC. 49 (1, TITLE 4, AS AMENDED BY ACT OF MARCH 8, 1873). *Amount of capital required.*—No joint-stock fire insurance company shall be organized in this state unless it has two hundred thousand dollars capital. No joint-stock fire, inland, or marine insurance company of any other state or nation shall do business in this state unless it has at least two hundred thousand dollars capital.

S. L. 1873, 135.

SEC. 50 (2 *ib.*) *Outside mutual fire companies forbidden.*—No mutual fire insurance company not of this state shall do business in this state.

SEC. 51 (3 *ib.*) *Limitation as to single risks.*—No fire or inland insurance company of this state, or doing business in this state, shall expose itself to any loss on any one fire or inland navigation risk or hazard, either by one or more policies, to [an] amount exceeding five per cent. of its paid-up capital in the case of a fire, or ten per cent. in the case of an inland insurance company, whether re-insured or not.

SEC. 52 (4 *ib.*) *Dividends to be from surplus profits.*—No fire insurance company shall make any dividend, except from the surplus profits arising from its business. In estimating such profits, there shall be reserved therefrom :

First. A sum equal to the whole amount of premiums on unexpired risks and policies, which are hereby declared to be unearned premiums ;

Second. All sums due the company on bonds and mortgages, bonds, stocks, and book accounts, of which no part of the principal, nor the interest thereon, has been paid during the preceding year, and for which foreclosure or suit has not been commenced, or which, after judgment obtained thereon, shall have remained more than two years unsatisfied, and on which interest shall not have been paid ; and,

Third. All interest due or accrued and remaining unpaid : *provided*, that any company may declare dividends not exceeding fifteen per cent. on its capital stock, in any one year, that possesses an accumulated fund in addition to the amount of its capital stock, and of such dividend, and all actual outstanding liabilities equal to one half of the amount of all premiums on risks not terminated at the time of making such dividend. Any dividend made contrary to this section shall subject the company making the same to a forfeiture of its charter, and each stockholder receiving it to a liability to the creditors of such company, to the extent of the dividend received, beside the other penalties and punishment prescribed by law. This section shall not apply to the declaration of scrip dividends by participating companies ; but no such scrip dividend shall be paid, except from surplus profits after reserving all sums as above provided, including the whole amount of premiums on unexpired risks. The word "year," wherever used in this section, shall be construed to mean the calendar year.

SEC. 53 (5 *ib.*) *Regulation as to participation in profits.*—Any joint-stock fire insurance company may (upon the written consent of the holders of three-fourths in amount of the stock) permit the insured to participate in the profits of its business, and provide how far any scrip, issued to the insured for such profits, shall be liable for the losses to be sustained ; and any company so doing, whenever an amount not less than one hundred thousand dollars has been accumulated, and scrip so issued therefor, may, upon the written consent of the holders of three-fourths in amount of

the stock, pay off and cancel an amount of the original cash capital equal to one-half of the accumulated profits, and so may continue from time to time until the whole amount of the original cash capital is paid off: *provided*, that before any portion of such capital stock shall be so paid off, proof shall be exhibited to the insurance commissioner that an amount of accumulated profits has been realized, scrip issued therefor, and investment made thereof, pursuant to the provisions of section twenty-two (four of title three) of this chapter (act), at least equal to double the amount so desired to be paid off and cancelled, and the said commissioner shall also first certify that he is satisfied with such proof.

SEC. 54 (6 *ib.*) *No deposit required of complying companies.*—No fire insurance company of any other state of the United States, in which the substantial provisions of this chapter (act) shall be enacted, shall be required to make any deposit in this state.

SEC. 55 (7 *ib.*) *Deposit required of foreign companies.*—No foreign fire insurance company shall do business in this state, unless it has on deposit with the commissioner of this state, for the benefit of all its policy-holders in the United States, the sum of two hundred thousand dollars invested and valued as prescribed in section twenty-two (four of title three), or unless it has complied with the next section.

SEC. 56 (8 *ib.*) *When certificate filed no deposit required.*—A foreign fire insurance company, which has its principal office in the United States in any state where the provisions of law contained in this chapter (act) shall be in force, may file with the insurance commissioner of this state a certificate made by the insurance commissioner of such other state, that he holds a deposit made by such company, such as is described in the last section. No deposit shall be required in this state from such company while the deposit so certified remains sufficient.

SEC. 57 (9 *ib.*) *Foreign to take no greater valuation risks than home companies.*—No foreign insurance company shall make any contract of insurance against loss or damage by fire or inland navigation risks, nor expose itself to any such loss by any one risk, for any greater amount in proportion to its capital, as determined by the following provisions, than companies of this state may.

SEC. 58 (10 *ib.*) *Capital and trusts of foreign companies, how defined and regulated.*—For the purposes of this chapter (act) the capital of any foreign insurance company, doing fire insurance business in this state, shall be deemed to be the aggregate value of its deposits with the insurance or other departments of this state, and of the other states of the United States, for the benefit of policyholders in any such state, or in the United States, and its assets and investments certified according to the provisions of this chapter (act) in the United States, after making the same deductions therefrom for losses and all liabilities within the United States, and for premiums on unexpired risks as are made in the case of companies of this state: *provided*, that such assets and investments be vested in and held within the United States by trustees, citizens of the United States, appointed by the board of directors of the company, and approved by the insurance commissioner of the state where invested for the benefit of the policy-holders and creditors in the United States. The trustees so chosen are hereby empowered to take, hold, and convey real and personal property for the purposes of the trust, subject to the same restrictions as insurance companies of this state.

SEC. 59 (11 *ib.*) *Certificate to state amount of capital.*—The annual certificate

of the insurance commissioner, given to any foreign fire insurance company [or] its agents, within this state, under section fifty-six (eight), must state the amount of capital of the company, ascertained by him as defined in the last section.

SEC. 60 (12 *ib.*) *Requirements of inland insurance companies.*—All the provisions contained in this title respecting fire insurance companies, shall apply to companies doing an inland insurance business, so far as, from the nature of the business of inland insurance, the same may be applicable.

SEC. 61 (13 *ib.*) *Exemptions of existing home companies doing former business.*—Any fire insurance company already organized under the laws of this state, and doing a farm business only, may continue to do such business by possessing twenty-five thousand dollars invested by deposits in national banks, or as provided in section twenty-two (four, title three) of this chapter (act), and comply with the other provisions of this chapter (act) so far as applicable, but shall be exempt from complying with section forty-six (twenty-eight, title three) and section eleven (three, title two).

TITLE V.

LIFE INSURANCE COMPANIES.

SEC. 62 (1, TITLE 5). *Capital required of life companies.*—No life insurance company shall be organized or do business in this state, unless it has at least one hundred thousand dollars, capital or assets, invested as provided in this chapter (act).

SEC. 63 (2 *ib.*) *Must have deposit with commissioner.*—No life insurance company of this state shall do business in this state or elsewhere, and no other life insurance company, except as provided in section seventy-four (thirteen of this title), shall do business in this state, unless it has on deposit with the insurance commissioner or other financial officer of this state, as security for all its policy-holders, stocks or bonds of this state or of the United States, to an amount the actual market value of which, exclusive of interest, shall never be less than one hundred thousand dollars, which stock or bonds shall be retained by the commissioner or other designated officer and disposed of as directed by law: *provided, however,* that personal obligations, secured by first mortgages on real estate within this state, worth, exclusive of all buildings, at least double the amount of the lien, and bearing an interest of not less than six per cent. per annum, may be received by the said financial officer of this state, instead of bonds or stocks, to the amount of not exceeding fifty thousand dollars.

SEC. 64 (3 *ib.*) *Deposit to be held while liability exists.*—As long as any policies of the depositing company remain in force, the insurance commissioner shall hold the deposit mentioned in the last section as security for all holders of its policies.

SEC. 65 (4 *ib.*) *Certificate from other commissioner to be in lieu of deposit.*—Any life insurance company of any other state of the United States in which the provisions of law contained in this chapter (act) shall be in force, may file with the insurance commissioner of this state a certificate of the insurance commissioner of such other state, that, as such officer, he holds in trust and on deposit, for the benefit of all the policy-holders of such company, the deposit above described, stating the items of the securities so held; and that he is satisfied that such

securities are worth one hundred thousand dollars. No deposit shall be required in this state while the said deposit so certified remains.

SEC. 66 (5 *ib.*) *Securities how surrendered on relinquishment of business.*—When any life insurance company, doing business in this state, desires to relinquish its business, the insurance commissioner shall, on its application, under the oath of the president or vice-president, and secretary or actuary, give notice of such intention in a public newspaper, published at the state capital, at least twice a week for six months; and after such publication he shall deliver up to such company, or its assigns, any securities held by him belonging to it, on being satisfied by the exhibition of its books and papers, and on examination, by himself or a person appointed by him, and upon the oath of the president or vice-president, and the secretary or actuary of the same, that all liabilities due or to become due, on any agreement made with any citizens of the United States, are paid and extinguished. And the commissioner may also, from time to time, deliver up to such company, or its assigns, any part of said securities, on being satisfied by any other competent proof that all liabilities due, or to become due on any agreement made by it, are less than one-half the amount of the securities he still retains. Any foreign life insurance company having made such publication, may, in the discretion of the insurance commissioner, withdraw one-half of its deposit of one hundred thousand dollars, on registering, according to the provisions of law for registered policies, all its outstanding policies issued to citizens or residents of the United States, and covenanting to maintain unimpaired the re-insurance deposit for such registered policies at all future times, and specially pledging for their security all future premiums payable on American policies.

SEC. 67 (6 *ib.*) *Provision for additional securities.*—Any life insurance company of this state may, at any time, assign to the insurance commissioner securities, such as are described in section sixty-three (two), to the amount of twenty-five thousand dollars or more, in addition to the deposits required by that section, to be held by him in trust for the benefit of all holders of its policies and bonds registered under section sixty-eight (seven), and not to be transferred by him without the written application of the company, or its receiver duly appointed, and for the purpose of paying such holders.

SEC. 68 (7 *ib.*) *Registration and delivery of policies and bonds.*—Upon being furnished by the depositing company with policies and annuity bonds, consecutively numbered, executed by the company in duplicate, each bearing the words, “the present net value of this policy is secured by pledge of public stocks or bonds and mortgages,” and of such denominations and amounts as the company may require, within the limits prescribed by section sixty-seven (six), the commissioner shall register the same in books provided for the purpose, and countersign, seal, and deliver to the company the originals, and file the duplicates. Mutilated registered policies and annuity bonds, issued to a company, shall be received back by the commissioner, and others delivered in lieu thereof, of like tenor and date; and in case of lost policies or bonds, he shall furnish certified copies of the duplicates on file.

SEC. 69 (8 *ib.*) *Renewal receipts and cancellation, how regulated.*—Receipts for renewal premiums or registered policies must be countersigned or stamped by the insurance commissioner, and no policies shall be marked off or cancelled on the books of a registering company, except those the renewal receipts for which are returned to the commissioner, or other proof satisfactory to the commissioner is furnished, that they have not been taken or have ceased to be in force.

SEC. 70 (9 *ib.*) *Valuation of policies and withdrawal of securities.*—The commissioner shall value the policies and annuity bonds chartered under the last section, according to the rules prescribed by section eleven (three of title two), and in no case shall the aggregate amount of the net value of said policies and bonds issued to any company exceed the value of the securities he holds by its transfer, as provided in section sixty-three (two of title five). He may, upon satisfactory proof presented in writing and filed with him, that the securities so held by him exceed the net present value of outstanding registered policies and annuity bonds issued to the depositing company, allow it to withdraw the excess.

SEC. 71 (10 *ib.*) *Non-liability of the state.*—Nothing in this chapter (act) shall be construed as implying any obligation on the part of the state to pay policies or annuity bonds of companies, except as to the net value thereof by a proper application of the securities deposited or transferred to the objects declared by the chapter (act).

SEC. 72 (11 *ib.*) *Solvent companies to collect dividends on deposited securities.*—So long as any deposit required by this title (article) is kept good, and the depositing company is solvent, the commissioner may permit the company to collect the interest or dividends on its securities so deposited; and from time to time to withdraw any such securities, on depositing with him others of equal value and like character.

SEC. 73 (12 *ib.*) *Foreign company to be governed by elected state.*—Any life insurance company, organized under a law of congress, shall elect one state, in which its policies shall be valued, and the certificate of the proper officer of such state that such has been done, shall be received by the commissioner of this state, as of the same force and effect as if such company had been organized under the laws of such state. And such company shall comply with the law of the state so selected as regards the deposit required to be made therein for the protection of policy-holders; and the certificate of the commissioner of such state that said deposit has been duly made, shall be received by the commissioner of this state as of the same effect as if said company had been organized under the laws of the state so selected.

SEC. 74 (13 *ib.*) *Exemption of mutual home companies.*—Life insurance companies doing business exclusively on the mutual plan, are hereby exempted from the provisions of sections sixty-two (one) and sixty-three (two) of this chapter (title); and may do business in this state, provided they have on hand, exclusive of all debts and liabilities, the net value of all their policies in force calculated as provided in subdivision four of section eleven (three of title two) of this chapter (act), subject, however, to all other regulations and provisions of this chapter (act).

TITLE VI.

MARINE INSURANCE COMPANIES.

SEC. 75 (1, TITLE 6). *Capital of future marine companies.*—No joint-stock marine insurance company shall hereafter be organized in this state, unless it has a paid-up capital of at least five hundred thousand dollars.

SEC. 76 (2 *ib.*) *No deposit required of company under similar laws.*—No

marine insurance company of any of the states in which the substantial provisions of this chapter (act) shall be enacted, shall be required to make any deposit in this state.

SEC. 77 (3 *ib.*) *Capital required of foreign marine company.*—No foreign marine insurance company shall do business in this state, unless it has on deposit with the commissioner of this state the sum of four hundred thousand dollars invested and valued as prescribed in section twenty-two (four of title three), or unless it has complied with the next section.

SEC. 78 (4 *ib.*) *Foreign marine company may file certificate in lieu of deposit.*—A marine insurance company of a foreign nation which has its principal office for the United States in any state in which the substantial provisions of this chapter (act) shall be enacted, may file with the insurance commissioner of this state a certificate made by the insurance commissioner of such other state, that he holds a deposit made by such company, such as is described in the last section. No deposit shall be required in this state from such company while the deposit so certified remains.

SEC. 79 (5 *ib.*) *Repeal of former acts not to invalidate vested rights.*—All acts and parts of acts and laws of this state now in force, inconsistent or in conflict with the several provisions of this chapter (act) are hereby repealed; but the repeal of such acts and laws shall not in any manner affect, injure, or invalidate any vested rights of any insurance company, or any contracts, suits, rights, claims, or demands that may have been heretofore duly and lawfully issued, commenced, made, performed, or that may exist, in favor of or against any insurance company or other corporation, partnership, firm, or person, under or by virtue or in pursuance of the said laws and acts, or any of them, but the same shall exist, be in force, and carried out as fully and effectually, to all intents and purposes, as if this chapter (act) had not been passed.

Of decisions upon various matters relating to this subject *vide*—Of the effect to be given to application for insurance, 16 Wis. 241; 6 Wis. 89; 12 Wis. 337; 3 Wis. 254; 5 Denio, 326; 2 Denio, 75; 14 Barb. 383; 5 N. Y. 469; 5 Hill, 188; 6 Wend. 488; 2 N. Y. 210; 18 N. Y. 376; 25 Barb. 479; 13 Wend. 92; 11 Wis. 188. How policy affected by increase of risk, 11 Wis. 188; 12 Wis. 337. How by additional insurance, 14 Wis. 318; 20 Barb. 635; 11 Johns. 233; 16 Wend. 385; 2 N. Y. 235; 20 Wis. 205. How by sale of property insured, 16 Wis. 523; 3 Denio, 301; 20 Barb. 339; 17 N. Y. 609, 424; 15 Barb. 413; 16 Wend. 385; 12 Wend. 507; 7 Barb. 570; 16 Barb. 511; 3 Denio, 254; 11 Barb. 624; 1 N. Y. 290; 16 Barb. 254; 23 Barb. 623. How by assignment of policy, 17 Wis. 378; 1 Hill, 497; 3 Hill, 508. May be assigned after loss, 25 Barb. 189; 28 Barb. 116; 23 Barb. 623; 5 Paige, 583. When insurance found by the acts of its agent, 3 Wis. 254; 18 N. Y. 392; Notice of loss, how may be given and when waived by insurer, 4 Wis. 20; 18 Wis. 387; 14 Wis. 318; 12 N. Y. 81; 9 Wend. 163; 23 Wend. 43, 525; 25 Wend. 374. How false or misrepresentations affect policy, 16 Wis. 523; 16 Wend. 481; 13 Wend., 92; 17 N. Y. 197; 14 Barb. 383; 7 Wend. 72; 20 N. Y. 52; 22 Barb. 527; 29 Barb. 552. Examination of insured as to loss, 13 Wis. 677. A parol contract of marine insurance is valid, 23 Wis. 160. Of warranty in marine insurance, 6 Wis. 670; 2 Johns. 531, 157; 4 Duer, 234; 6 Cow. 270; 20 Wend. 287; 15 Wend. 532; 10 Johns. 58; 11 Johns. 58; 1 Duer, 159; 3 Hill, 250. Of the pleadings in insurance cases, 22 Wis. 412. When property is insured as occupied and then afterwards remains unoccupied, without notice to insurer and a loss occurs while unoccupied, the policy is void, 15 Wis. 138. *Vide* also *Peoria Fire and M. Insurance Co. v. Wilson*, 5 Minn. 53; *Schwartz v. Germania Life Insurance Co.*, 18 Minn. 448; *Aetna Insurance Co. v. Grube*, 6 Minn. 82; *Phoenix Insurance Co. v. Taylor*, 5 Minn. 492; *Gasner v. Metropolitan Insurance Co.*, 13 Minn. 483.