

CHAPTER 61

INSURANCE DIVISION; LIFE INSURANCE

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61.01 LIFE INSURANCE COMPANIES. Every corporation or association, domestic or foreign, operating upon any plan involving payment of money or other thing of value to policy or certificate holders, or members, or families, or representatives of either, conditioned upon the continuance or cessation of human life, or for the payment of endowments or annuities (except benevolent, fraternal, cooperative or secret societies or orders for the sole purpose of mutual welfare, protection and relief of their members and the payment of stipulated amounts, or the proceeds of assessments, to the families of deceased members), shall be deemed a life insurance company, and shall make no such insurance, guaranty, contract, or pledge in this state, or to or with any citizen or resident thereof, which does not distinctly specify the amount and manner of payment of benefits and the consideration therefor.

[R. L. s. 1687] (3372)

61.02 PREREQUISITES OF ALL LIFE COMPANIES. No life company shall be qualified to issue any policy until applications for at least \$200,000 of insurance, upon lives of at least 200 separate residents, have been actually and in good faith made, accepted, and entered upon its books and at least one full annual premium thereunder, based upon the authorized table of mortality, received in cash or in absolutely payable and collectible notes. A duplicate receipt for each premium, conditioned for the return thereof unless the policy be issued within one year thereafter, shall be issued, and one copy delivered to the applicant and the other filed with the commissioner, together with the certificate of a solvent authorized bank in the state, of the deposit therein of such cash and notes, aggregating the amount aforesaid, specifying the maker, payee, date, maturity, and amount of each. Such cash and notes shall be held by it not longer than one year, and at or before the expiration thereof to be by it paid or delivered, upon the written order of the commissioner, to such company or applicants, respectively.

[R. L. s. 1688] (3373)

61.03 FOREIGN COMPANIES MAY BECOME DOMESTIC. Any company organized under the laws of any other state or country, which might have been originally incorporated under the laws of this state, and which has been admitted to do business therein for either or both the purpose of life or accident insurance, upon complying with all the requirements of law relative to the execution, filing, recording and publishing of original certificates and payment of incorporation fees by like domestic corporations, therein designating its principal place of business at a place in this state, may become a domestic corporation, and be entitled to like certificates of its corporate existence and license to transact business in this state, and be subject in all respects to the authority and jurisdiction thereof.

[R. L. s. 1696] (3374)

61.04 RIGHTS OF MEMBERS OF DOMESTIC MUTUAL COMPANIES. Every person insured by a domestic mutual life insurance company shall be a member, entitled to one vote and one vote additional for each \$1,000 of insurance in excess of the first \$1,000; provided, that no member shall be entitled to more than 100 votes; and, provided, further, that in the case of group insurance on employees such group shall be deemed to be a single member and the employer shall be deemed to be such member for the purpose of voting, having not to exceed 100 votes, provided, that in cases where the employees pay all or any part of the premium, either directly or by pay-roll deductions, the employees shall be allowed to choose their representative, who shall exercise a voting power in proportion to the percentage of premium paid by such employees. Every member shall be notified of its annual meetings by a written notice mailed to his address, or by an imprint on the back of his policy, receipt or certificate of renewal, as follows:

"The insured is hereby notified that by virtue of his policy he is a member of the Insurance Company, and that the annual meetings of said company are held at its home office on the day of in each year, at o'clock."

The blanks shall be duly filled in print. Any member of a domestic life insurance company may vote by proxy, provided, that the written proxy appointment shall be filed with the company at least five days before the meeting at which it is to be used.

[R. L. s. 1697; 1925 c. 53 s. 1] (3375)

61.05 DISCRIMINATION IN ACCEPTING RISKS. No company or agent, all other conditions being equal, shall make any discrimination in the acceptance of risks, in rates, premiums, dividends, or benefits of any kind, or by way of rebates, between persons of the same class, or on account of race; and upon request of any person whose application has been rejected, the company shall furnish him, in writing, the reasons therefor, including a certificate of the examining physician that such rejection was not for any racial cause. Every company violating either of the foregoing provisions shall forfeit not less than \$500.00, nor more than \$1,000, and every officer, agent, or solicitor violating the same shall be guilty of a gross misdemeanor; and the commissioner shall revoke the license of such company and its agents, and grant no new license within one year thereafter.

[R. L. s. 1689] (3376)

61.06 DISCRIMINATION, REBATES. No life insurance company doing business in this state shall make or permit any distinction or discrimination in favor of individuals between insureds of the same class and equal expectation of life in the amount or payment of premiums or rates charged for policies of life or endowment insurance, or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of the contracts it makes; nor shall any such company or agent thereof make any contract of insurance or agreement as to such contract other than as plainly expressed in the policy issued thereon; nor shall any such company or any officer, agent, solicitor, or representative thereof pay, allow or give, or offer to pay, allow or give, directly or indirectly, as inducement to insurance, any rebate of premium payable on the policy, or any special favor or advantage in the dividends or other benefits to accrue thereon or any paid employment or contract for services of any kind, or any valuable consideration or inducement whatever not specified in the policy contract of insurance.

Any violation of the provisions of this section shall be a misdemeanor and punishable as such.

[1907 c. 277 ss. 1, 2] (3377) (3378)

61.07 DISBURSEMENTS, HOW TO BE EVIDENCED. No domestic life insurance company shall make any disbursement of \$100.00 or more unless the same be evidenced by a voucher signed by or on behalf of the person, firm, or corporation receiving the money, and correctly describing the consideration for the payment. If the expenditure be for both services and disbursements, the voucher shall set forth the services rendered and an itemized statement of the disbursements made. If the expenditures be in connection with any matter pending before any legislature or public body, or before any department or officer of any state or government, the voucher shall correctly describe, in addition, the nature of the matter and of the interest of such company therein. When such voucher cannot be obtained the expenditure shall be evidenced by an affidavit describing the character and object of the expenditure and stating the reason for not obtaining such voucher.

[1907 c. 40] (3379)

61.08 SOLICITORS, AGENTS OF COMPANY. Any person who shall solicit an application for insurance upon the life of another shall, in any controversy between the assured or his beneficiary and the company issuing any policy upon such application, be regarded as the agent of the company and not the agent of the assured.

[1907 c. 41] (3380)

61.09 POLITICAL CONTRIBUTIONS PROHIBITED. No insurance company or association, including fraternal beneficiary associations, doing business in this state, shall, directly or indirectly, pay or use, or offer, consent or agree to pay or use, any money or property for or in aid of any political party, committee or organization, or for or in aid of any corporation, joint stock or other association organized or maintained for political purposes, or for or in aid of any candidate for political office, or for nomination for such office, or for any political purpose whatsoever, or for reimbursement or indemnification of any person for money or property so used. Any officer, director, stockholder, attorney or agent of any corporation or association which violates any of the provisions of this section, who participates in, aids, abets, or advises or consents to any such violation, and any person who solicits or knowingly receives any money or property in violation of this section, shall be guilty of a gross misdemeanor, and any officer aiding or abetting in any contribution made in violation of this section shall be liable to the company or association for the amount so contributed. No person shall be excused from attending and testifying, or producing any books, papers or other documents before any court or magistrate, upon any investigation, proceeding or trial, for a violation of any of the provisions of this section, upon the ground, or for the reason, that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate or degrade him; but no person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he may so testify or produce evidence, documentary or otherwise, and no testimony so given or produced shall be used against him upon any criminal investigation or proceeding.

[1907 c. 42] (3381)

61.10 MISREPRESENTATION. No life insurance company doing business in this state, and no officer, director or agent thereof, shall issue or circulate, or cause or permit to be issued or circulated, any estimate, illustration, circular or statement of any sort misrepresenting the terms of any policy issued by it or the benefits or advantages promised thereby, or the dividends or shares of surplus to be received thereon, or shall use any name or title of any policy or class of policies misrepresenting the true nature thereof.

Any person violating the provisions of this section shall be guilty of a misdemeanor, and the license of any company which shall authorize or permit a violation of this section shall be revoked.

[1907 c. 43 ss. 1, 2] (3382) (3383)

61.11 INVESTMENT OF DOMESTIC LIFE INSURANCE COMPANIES' FUNDS. The capital, surplus, and other funds of every domestic life insurance company, whether incorporated by special act or under the general law (in addition to investments in real estate as otherwise permitted by law) may be invested only in one or more of the following kinds of securities or property:

(1) Bonds or treasury notes of the United States; bonds of this state or of any state of the United States, or of the Dominion of Canada or any province thereof; bonds of any county, city, town, village, organized school district, municipality, or

civil division of this state or of any state of the United States or of any province of the Dominion of Canada; debentures issued by the federal housing administrator; and obligations of national mortgage associations;

(2) Notes or bonds secured by first mortgage, or trust deed in the nature thereof, on improved real estate in this or any other state of the United States, having a value of at least 50 per cent more than the amount of the loan secured thereby, but no improvement shall be included in estimating this value unless the same shall be insured against fire by policies payable to and held by the security holder or a trustee for its benefit; also, if approved by the commissioner, notes or bonds secured by mortgage or trust deed upon leasehold estates in improved real property where 40 years or more of the term are unexpired and where unencumbered except by the lien reserved in the lease for the payment of rentals and the observance of the other covenants, terms, and conditions of the lease and where the mortgagee, upon default, is entitled to be subrogated to, or to exercise, all the rights and to perform all the covenants of the lessee; provided, that no loan on such leasehold estate shall exceed 50 per cent of the fair market value thereof at the time of the loan, and the value thereof shall be shown by the sworn certificate of a competent appraiser; 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;

(3) Bonds or obligations of railway companies, street railway companies, and other public utility corporations incorporated under the laws of this state, the United States or any state thereof, or the Dominion of Canada or any province thereof, which shall not be in default as to the principal or interest on any outstanding issue of bonds; the debentures of farm mortgage debenture companies organized under the laws of this state, and federal farm loan bonds;

(4) Stocks of national banks, state banks, and municipal corporations, and certificates of deposit of these banks; provided, that not more than five per cent of the admitted assets of the company shall be invested in these certificates of deposit; also stocks of railway companies, street railway companies, and other public utility corporations which have paid dividends in cash upon their stock at the rate of not less than three per cent for a period of three years preceding the investment;

(5) In equipment obligations or equipment trust certificates; provided, that these obligations or certificates mature not later than 15 years from their date and are issued or guaranteed by a corporation to which a loan or loans for the construction, acquisition, purchase, or lease of equipment have been made or approved by the interstate commerce commission, under authority conferred by act of Congress, or are secured by, or are evidence of, a prior or preferred lien upon interest in, or of reservation of title to, the equipment in respect of which they have been sold, or by an assignment of, or prior interest in, the rent or purchase notes given for the hiring or purchase of the equipment; and, provided, that the total amount of principal of such issue of equipment obligations or trust certificates shall not exceed 75 per cent of the cost or purchase price of the equipment in respect of which they were issued; the remaining 25 per cent of the cost or purchase price having been paid by, or for the account of, the railroad so constructing, acquiring, purchasing, or leasing the equipment, or by funds loaned or advanced for the purpose by the government of the United States, or one of its agencies or instrumentalities, and subordinated, in the event of default, in respect of the lien or interest thereof upon or in such equipment or rent or purchase notes, to the lien or interest of the prior or preferred equipment obligations or equipment trust certificates;

(6) Stocks of any life insurance company; provided, that not more than four per cent of the admitted assets of any domestic life insurance company may be invested in stocks of other life insurance corporations; bonds, debentures, or the preferred or guaranteed stocks, of any solvent institution incorporated under the laws of the United States or of any state thereof, where any such institution, or, in the case of guaranteed stocks, the guaranteeing corporation, during each of the five years next preceding such investment, shall have earned a sum applicable to dividends equal at least to four per cent upon the par value (or, in the case of stock having no par value, then upon the value upon which the stock was issued) of all its capital stock outstanding in each of such five years; and, provided, that no such life insurance company shall invest in, or loan on, any such preferred stock in excess of ten per cent of the total issued and outstanding preferred stock of such

institution, nor more than 20 per cent of the unassigned surplus and capital of such life insurance company;

(7) Promissory notes maturing within six months, secured by the pledge of registered terminal warehouse receipts issued against grain deposited in terminal warehouses, as defined in section 233.01. At the time of investing in these notes, the market value of the grain shall exceed the indebtedness secured thereby, and the note or pledge agreement shall provide that the holder may call for additional like security or sell the grain without notice upon depreciation of the security; the insurance company may accept, in lieu of the deposit with it of the warehouse receipts, a trustee certificate issued by any national or state bank at a terminal point, certifying that the warehouse receipts have been deposited with it and are held as security for the notes; and the amount invested in the securities mentioned in this paragraph shall not, at any time, exceed 25 per cent of the unassigned surplus and capital of the company; and

(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 paragraphs (1) to (7) above, to the extent of the investment permitted in such securities, but not exceeding 80 per cent of the market value of stocks and 95 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 the 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 the 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.

[1929 c. 111 s. 1; 1935 c. 365 ss. 1, 2; 1937 c. 87 ss. 1, 2; 1941 c. 140] (3384-1)

61.12 REAL ESTATE HOLDINGS OF DOMESTIC LIFE COMPANIES. Every such life insurance company may acquire, hold and convey real property only for the following purposes and in the following manner:

(1) Such as shall be requisite for convenient accommodation in the transaction of its business;

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

(3) Such as shall have been conveyed to it in satisfaction of debts previously contracted in the course of its dealings;

(4) Such as shall have been purchased at sales on judgments, decrees or mortgages obtained or made for such debts.

All the real property specified in clauses (2), (3), and (4), which shall not be necessary for its accommodation in the convenient transaction of its business, shall be sold and disposed of within five years after the company shall have acquired title to the same, or within five years after the same shall have ceased to be necessary for the accommodation of its business, and it shall not hold this property for a longer period unless it shall procure a certificate from the commissioner of insurance that its interests will suffer materially by the forced sale thereof, in which event the time for the sale may be extended to such time as the commissioner shall direct in the certificate.

[1907 c. 163 s. 2] (3385)

61.13 REINSURANCE. No domestic life company, without permission of the commissioner, shall reinsure any portion of any individual risk in a company or companies not authorized to do business in this state.

[R. L. s. 1690; 1927 c. 52] (3386)

61.14 PROCEEDS OF LIFE POLICY, WHO ENTITLED TO. When any insurance is effected in favor of another, the beneficiary shall be entitled to its proceeds against the creditors and representatives of the person effecting the same. All premiums paid for insurance in fraud of creditors, with interest thereon, shall inure

to their benefit from the proceeds of the policy, if the company be specifically notified thereof, in writing, before payment.

[R. L. s. 1691] (3387)

61.15 EXEMPTION IN FAVOR OF FAMILY; CHANGE OF BENEFICIARY.

Every policy made payable to, or for the benefit of, the wife of the insured, or after its issue assigned to or in trust for her, shall inure to her separate use and that of her children, subject to the provisions of section 61.14. The person applying for and procuring the policy may change the beneficiary or beneficiaries, if the consent of the beneficiary or beneficiaries named in the policy is obtained, or if a power so to do is reserved in the contract of insurance, or in case of the death or divorcement of a married woman named as beneficiary.

[R. L. s. 1692] (3388)

61.16 ANNUAL APPORTIONMENT AND ACCOUNTING OF SURPLUS ON POLICIES. Every life insurance company doing business in this state conducted on the mutual plan or in which policyholders are entitled to share in the profits or surplus shall make an annual apportionment and accounting of divisible surplus to each policyholder, beginning not later than the end of the third policy year, on all participating policies hereafter issued; and each such policyholder shall be entitled to and be credited with or paid, in the manner hereinafter provided, such a portion of the entire divisible surplus as has been contributed thereto by his policy.

[1907 c. 198 s. 1] (3389)

61.17 CONTINGENCY RESERVE. Any life insurance company doing business in this state may accumulate and maintain, in addition to the capital and surplus contributed by its stockholders, and in addition to an amount equal to the net values of its policies, computed according to the laws of the jurisdiction under which it is organized, a contingency reserve not exceeding the following respective percentages of these net values: When the net values are less than \$100,000, 20 per cent thereof, or the sum of \$10,000, whichever is the greater; when the net values are greater than \$100,000, the percentage thereof measuring the contingency reserve shall decrease one-half of one per cent for each \$100,000 of the net values up to \$1,000,000; when the net values are greater than \$1,000,000, but do not exceed \$25,000,000, the contingency reserve shall not exceed 15 per cent thereof; when the net values are greater than \$25,000,000, but do not exceed \$150,000,000, the contingency reserve shall not exceed 12½ per cent thereof; when the net values are greater than \$150,000,000, the contingency reserve shall not exceed ten per cent thereof; provided, that as the net values of these policies increase and the maximum percentage measuring the contingency reserve decreases, the corporation may maintain the contingency reserve already accumulated hereunder, although for the time being it may exceed the maximum percentage herein prescribed, but may not add to the contingency reserve when the addition will bring it beyond the maximum percentage. For cause shown, the commissioner may, at any time and from time to time, permit any corporation to accumulate and maintain a contingency reserve in excess of the limit above mentioned for a prescribed period, not exceeding one year under any one permission, by filing in his office a decision stating his reasons therefor and causing the same to be published in his next annual report. This section shall not apply to any company doing exclusively a non-participating business.

[1907 c. 198 s. 2; 1925 c. 37] (3390)

61.18 POLICYHOLDER TO CHOOSE METHOD OF APPLYING SURPLUS.

Every policyholder shall, on all participating policies hereafter issued, be permitted, after his policy has been in force five years, annually, to select the manner and method of the application of the surplus to be annually apportioned to his policy from among those set forth in the policy. All apportioned surplus not actually paid over to the insured, or applied in the reduction of current or future premiums or in the purchase of paid-up insurance of pure endowment additions, shall be credited to the insured and carried as an actual liability and be paid at the maturity of the policy.

[1907 c. 198 s. 3] (3391)

61.19 AUTOMATIC PAID-UP OR EXTENDED INSURANCE, IN CERTAIN CASES. In event of default in payment of any premium due on any policy, provided not less than three full years' premiums shall have been paid; and, provided, such policy shall not be continued in force by virtue of an automatic loan provision therein, there shall be secured to the insured, without action on his part, either paid or extended insurance as specified in the policy, the net values of which shall be

at least equal to the entire net reserve held by the company on such policy, less two and one-half per cent of the amount insured by the policy and dividend additions, if any, and less any outstanding indebtedness to the company on the policy at time of default. There shall be secured to the insured the right to surrender the policy to the company at its home office within one month after date of default for the cash value otherwise available for the purchase of the paid-up or extended insurance, as aforesaid. Such cash payment to be made within six months after demand therefor.

[1907 c. 198 s. 4] (3392)

61.20 NO WAIVER OF PROVISIONS. No agreement between the company and the policyholder or applicant for insurance shall be held to waive any of the provisions of sections 61.16 to 61.19.

[1907 c. 198 s. 5] (3393)

61.21 EXTENSION OF TIME FOR PAYMENT OF PREMIUMS. Parties to any policy of life insurance now or hereafter issued shall have the right at any time to mutually agree, in writing, for an extension of time in which to pay a second or subsequent premium on the policy, upon condition that the failure to pay the amount agreed upon at the time agreed, shall lapse the policy as of the date mutually agreed upon in the writing; provided, no such agreement shall impair any right to extended or paid-up insurance which the insured may have under the policy, nor any right to have the premiums, any part thereof, or the amount payable for the extension charged against the policy under the terms of the policy. No such agreement need be attached to or made a part of the insurance policy so affected.

[1925 c. 343 s. 1] (3393-1)

61.22 ANNUAL APPORTIONMENT OF SURPLUS ON EXISTING POLICIES. Every life insurance company doing business in this state conducted on the mutual plan, or in which policyholders are entitled to share in the profits or surplus, shall, on all policies of life insurance heretofore issued, under the conditions of which the distribution of surplus is deferred to a fixed or specified time, and contingent upon the policy being in force and the insured living at that time, annually ascertain the amount of surplus to which all such policies as a separate class are entitled, and shall annually apportion to such policies as a class the amount of surplus so ascertained, and carry the amount of such apportioned surplus, plus the actual interest earnings and accretions of such fund, as a distinct and separate liability to such class of policies on and for which the same was accumulated, and no company or any of its officers shall be permitted to use any part of such apportioned surplus fund for any purpose other than the express purpose for which the same was accumulated.

[1907 c. 201 s. 1] (3394)

61.23 EXCEPTIONS FROM PROVISIONS OF PREVIOUS SECTION. Section 61.22 shall not apply to industrial policies, or to any policy until the same has been in force three years.

[1907 c. 201 s. 2] (3395)

61.24 MISSTATEMENT, WHEN NOT TO INVALIDATE POLICY. In any claim upon a policy issued in this state without previous medical examination, or without the knowledge or consent of the insured, or, in case of a minor, without the consent of his parent, guardian, or other person having his legal custody, the statements made in the application as to the age, physical condition, and family history of the insured shall be valid and binding upon the company, unless wilfully false or intentionally misleading. Every policy which contains a reference to the application, either as a part of the policy or as having any bearing thereon, shall have a copy of such application attached thereto or set out therein.

[R. L. s. 1693] (3396)

61.25 DESCRIPTION OF POLICY ON ITS FACE. No company shall issue any policy to a resident of this state which does not bear, in bold letters upon its face, a brief description thereof, so specifying its general character, dividend periods, and other particulars, that the holder will not be liable to mistake the nature and scope of the contract.

[R. L. s. 1694] (3397)

61.26 POLICIES. No policy of life insurance shall be issued or delivered in this state, and no policy of life insurance of a life insurance company organized under

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the laws of this state shall be issued, unless authorized by the provisions of sections 61.26 to 61.30 and 61.34 to 61.39.

[1907 c. 220 s. 1] (§398)

61.27 FORMS. The following are established as standard forms in which policies of life insurance may be issued and delivered in this state, and in which policies of life insurance of life insurance companies organized under the laws of this state may be issued:

(Name of state)

..... Standard Life Insurance Policy. (Insert "Ordinary" or "Limited Payment.")

..... Life
..... Age.....

Amount \$..... Premiums \$.....

.....

.....

..... Of (Name of state).

In consideration of dollars, receipt of which is hereby acknowledged, and of the payment of (insert amounts and times of payments of premiums) until (insert "the death of the insured" in ordinary life, and "..... full years' premiums shall have been paid or until the prior death of the insured" in limited payment life).

Promises to pay upon receipt at the home office of the company in of due proof of the death of of county of state of herein called the insured, to beneficiary..... with (insert "out" if so desired) right of revocation dollars, less any indebtedness hereon to the company and any unpaid portion of the premium for the then current policy year.

CHANGE OF BENEFICIARY—When the right of revocation has been reserved, or in case of the death of any beneficiary under either a revocable or irrevocable designation, the insured, subject to any existing assignment of the policy, may designate a new beneficiary, with or without reserving right of revocation, by filing written notice thereof at the home office of the company, accompanied by the policy for suitable endorsement thereon. If any beneficiary shall die before the insured and the insured shall not have designated a new beneficiary, the interest of such beneficiary shall be payable to the insured (insert "his" or "her"), executors, administrators or assigns.

PAYMENT OF PREMIUMS—The company will accept payment of premiums at other times than as stated above, as follows:

.....

.....

Except as herein provided, the payment of a premium or instalment thereof shall not maintain the policy in force beyond the date when the next premium or instalment thereof is payable.

All premiums are payable in advance at said home office, or to an agent of the company upon delivery of a receipt signed by one or more of the following officers of the company (insert titles of officers who may sign receipts), and countersigned by said agent.

A grace of one month, subject to an interest charge at the rate of per cent per annum shall be granted for the payment of every premium after the first, during which month the insurance shall continue in force. If the insured shall die during the month of grace, the overdue premium will be deducted from any amount payable hereon in any settlement hereunder.

CONDITIONS—(The policy may here provide for restrictions of liability by reason of travel, occupation, change of residence and suicide. These restrictions, except such as refer to military and naval service in time of war, must be applicable only to cases where the act of the insured provided against occurs within two years after the issuance of the policy.)

INCONTESTABILITY—This policy constitutes the entire contract between the parties and shall be incontestable from its date except for non-payment of premiums and except as otherwise provided in this policy. All statements made by the insured

shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall avoid this policy unless it is contained in a written application and a copy of such application shall be endorsed upon or attached to this policy when issued.

If the age of the insured has been understated, the amount payable hereunder shall be such as the premium paid would have purchased at the correct age.

PARTICIPATION—This policy shall participate in the surplus of the company, beginning not later than the end of the (insert first, second or third) policy year the company will annually determine and account for the portion of the divisible surplus accruing hereon.

DIVIDENDS—Dividends at the option of the owner of this policy shall, on the day of of each year (here may be inserted "after the first policy year" or "after the second policy year") be either—

- (1) Paid in cash, or
- (2) Applied toward the payment of any premium or premiums, or
- (3) Applied to the purchase of paid-up additions to the policy, or
- (4) Left to accumulate to the credit of the policy with interest at (here insert a rate not exceeding that used by the company for calculating its reserves) per cent per annum and payable at the maturity of the policy, but withdrawable on any anniversary of the policy.

Unless the owner of this policy shall elect otherwise within three months after the mailing by the company of a written notice requiring such election, the dividends shall be paid in cash.

LOANS—After three full years' premiums have been paid, the company, at any time while this policy is in force, will advance, on proper assignment of this policy and on the sole security thereof, at a rate of interest not greater than per cent per annum, which interest if not paid annually shall be added to the principal and bear the same rate of interest, a sum equal to, or, at the option of the owner of the policy, less than the reserve at the end of the current policy year on this policy and on any dividend additions thereto, computed according to the (designate mortality table adopted by the company for computing reserves) mortality table, and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per cent per annum, less (here may be inserted not more than two and one-half) per cent of the amount insured by this policy and of any dividend additions thereto.

The company, however, will deduct from such loan value any existing indebtedness to the company on the policy and any unpaid balance of the premium for the current policy year, and may collect interest in advance on the loan to the end of the current policy year. Such loan may be deferred by the company for not exceeding six months after the application therefor is made. Failure to repay any such advance or to pay interest shall not avoid this policy unless the total indebtedness hereon to the company shall equal or exceed such loan value at the time of such failure and until one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee, if any. No condition other than as herein provided shall be exacted as a prerequisite to any such advance.

ASSIGNMENT—No assignment of this policy shall be binding upon the company until it be filed with the company at its said home office. The company assumes no responsibility as to the validity of any assignment.

OPTION ON SURRENDER OR LAPSE—After this policy shall have been in force three full years, the owner, within one month after any default, may elect (a) to accept the value of this policy in cash, or (b) to have the insurance continued in force from date of default, without future participation and without the right to loans, for its face amount, including any outstanding dividend additions, less any indebtedness to the company hereon, or (c) to purchase non-participating paid-up insurance, payable at the same time and on the same conditions as this policy. The cash value will be the reserve at the date of default on this policy and on any dividend additions thereto, computed according to the (designate mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per cent per annum, less (here may be inserted not more than two and one-half) per cent of the amount insured by this policy and of any dividend additions thereto, and less any existing indebtedness to the company on this policy. Payment of such cash value may be deferred by the company for not exceeding six months

after the application therefor is made. The term for which the insurance will be continued or the amount of the paid-up policy will be such as the cash value will purchase as a net single premium at the attained age of the insured according to the (designate the mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per cent per annum. If the owner shall not, within one month from default, surrender this policy to the company at its home office for a cash surrender value or for paid-up insurance, as provided in options (a) and (c), the insurance will be continued as provided in option (b).

The figures in the following table are computed in accordance with the above provisions and upon the assumption that there is no indebtedness on the policy, and that there are no outstanding dividend additions.

(At the option of the company the following may be here inserted: "The figures apply to a policy for \$1,000. As this contract is for \$..... the loan, cash, or paid-up insurance available in any year will be the amount stated in the table for that year.")

At End of Years	Cash or Loan Value	Paid-up Life Insurance	Continued Insurance		
			Years	Months	Days
3	\$.....	\$.....
4	\$.....	\$.....
5	\$.....	\$.....
6	\$.....	\$.....
7	\$.....	\$.....
8	\$.....	\$.....
9	\$.....	\$.....
10	\$.....	\$.....
11	\$.....	\$.....
12	\$.....	\$.....
13	\$.....	\$.....
14	\$.....	\$.....
15	\$.....	\$.....
16	\$.....	\$.....
17	\$.....	\$.....
18	\$.....	\$.....
19	\$.....	\$.....
20	\$.....	\$.....

Figures for later years will be furnished upon request.

REINSTATEMENT—In case of continued temporary insurance under the above provisions, this policy, upon evidence of insurability satisfactory to the company, may be reinstated within the first three years of the term for which the insurance is continued by payment of arrears of premiums with interest at (here insert not more than six) per cent per annum.

OPTIONS AT MATURITY—The insured, by written notice to the company at its home office, and with the written consent of the assignee and irrevocable beneficiary, if any, may elect to have the net sum payable under his policy paid either in cash or as follows:

(1) By the payment of interest thereon at per cent per annum, payable annually, to the payee under this policy at the end of each year during the life of the payee and by the payment upon the death of the payee of the said net sum and accrued interest to the executors, administrators, or assigns of the payee, unless otherwise directed in said notice.

(2) By the payment of equal annual instalments for a specified number of years, the first instalment being payable immediately, in accordance with the following table for each \$1,000 of said net sum.

(3) By the payment of equal annual instalments, payable at the beginning of each year, for a fixed period of 20 years and for so many years longer as the payee shall survive, in accordance with the following table for each \$1,000 of said net sum.

Instalments payable under options (2) or (3) which shall not have been paid prior to the death of the payee shall be paid, unless otherwise directed in said notice, to the executors, administrators or assigns of the payee.

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If the insured shall not have directed otherwise, the beneficiary may, after the death of the insured, by like written notice, and with the written consent of the assignee, if any, select either of the above options.

Unless otherwise specified by the insured the payee may, on any interest date, receive the amount yet due under option (1), and may at any time receive the commuted value of payments yet to be made, computed upon the same basis as option (2) in the following table; provided, that no such commutation will be made under (3) except after the death of the payee occurring within the aforesaid 20 years.

TABLE OF INSTALMENTS FOR EACH \$1,000

[illegible]

AGENTS ARE NOT AUTHORIZED to modify this policy or to extend the time for paying a premium.

IN WITNESS WHEREOF, the company has caused this policy to be executed
this.....day of.....

(Name of state)

.....Standard Life Insurance Policy.
Endowment.

Age.....
Amount \$..... Premium \$.....
.....
.....
.....

Of (Name of state)

IN CONSIDERATION OF.....dollars, receipt of which is hereby acknowledged, and of the payment of (here insert amounts and times of payments of premiums) until.....full years' premiums shall have been paid or until the prior death of the insured.

PROMISES to pay at the home office of the company in....., to....., county of....., state of....., herein called the insured, on the..... day of....., if the insured be then living, or upon receipt at said home office of due proof of the prior death of the insured, to..... beneficiary..... with (insert "out" if so desired), right of revocation,..... dollars, less any indebtedness hereon to the company and any unpaid portion of the premium for the then current policy year.

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CHANGE OF BENEFICIARY—When the right of revocation has been reserved, or in case of the death of any beneficiary under either a revocable or irrevocable designation, the insured, subject to any existing assignment of the policy, may designate a new beneficiary, with or without reserving right of revocation, by filing written notice thereof at the home office of the company, accompanied by the policy for suitable endorsement thereon. If any beneficiary shall die before the insured, and the insured shall not have designated a new beneficiary, the interest of such beneficiary shall be payable to the insured, (insert "his" or "her") executors, administrators or assigns.

PAYMENT OF PREMIUMS—The company will accept payment of premiums at other times than as stated above, as follows:

Except as herein provided, the payment of a premium or instalment thereof, shall not maintain the policy in force beyond the date when the next premium or installment thereof is payable.

All premiums are payable in advance at said home office, or to an agent of the company, upon delivery of a receipt signed by one or more of the following officers of the company (insert titles of officers who may sign receipts), and countersigned by said agent.

A grace of one month, subject to an interest charge at the rate of..... per cent per annum, shall be granted for the payment of every premium after the first, during which month the insurance shall continue in force. If the insured shall die during the month of grace, the overdue premium will be deducted from any amount payable hereon in any settlement hereunder.

CONDITIONS—(The policy may here provide for restrictions of liability by reason of travel, occupation, change of residence and suicide. These restrictions, except such as refer to military and naval service in time of war, must be applicable only to cases where the act of the insured provided against occurs within two years after the issuance of the policy.)

INCONTESTABILITY—This policy constitutes the entire contract between the parties, and shall be incontestable, from its date, except for non-payment of premiums and except as otherwise provided in this policy. All statements made by the insured shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall avoid this policy unless it is contained in a written application and a copy of such application shall be endorsed upon or attached to this policy when issued.

If the age of the insured has been understated, the amount payable hereunder shall be such as the premium paid would have purchased at the correct age.

PARTICIPATION—This policy shall participate in the surplus of the company, and, beginning not later than the end of the (insert first, second or third) policy year, the company will annually determine and account for the portion of the divisible surplus accruing hereon.

DIVIDENDS—Dividends, at the option of the owner of this policy, shall, on theday of.....of each year (here may be inserted "after the first policy year" or "after the second policy year"), be either—

- (1) Paid in cash, or
- (2) Applied toward the payment of any premium or premiums, or
- (3) Applied to the purchase of paid-up additions to the policy, or
- (4) Left to accumulate to the credit of the policy with interest at (here insert a rate not exceeding that used by the company in calculating its reserves) per cent per annum, and payable at the maturity of the policy, but withdrawable on any anniversary of the policy.

Unless the owner of this policy shall elect otherwise within three months after mailing by the company of a written notice requiring such election, the dividends shall be paid in cash.

LOANS—After three full years' premiums have been paid, the company, at any time when this policy is in force, will advance, on proper assignment of the policy and on the sole security thereof, at a rate of interest not greater than..... per cent per annum, which interest, if not paid annually, shall be added to the principal and bear the same rate of interest, a sum equal to, or, at the option of the owner of the policy, less than, the reserve at the end of the current policy year on this policy and on any dividend additions thereto, computed according to the (desig-

nate mortality table adopted by the company for computing reserves) mortality table, and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per cent per annum, less (here may be inserted not more than two and one-half) per cent of the amount insured by this policy and of any dividend additions thereto. The company, however, will deduct from such loan value any existing indebtedness to the company on this policy and any unpaid balance of the premium for the current policy year, and may collect interest in advance on the loan to the end of the current policy year. Such loan may be deferred by the company for not exceeding six months after the application therefor is made. Failure to repay any such advance or to pay interest shall not avoid this policy unless the total indebtedness hereon to the company shall equal or exceed such loan value at time of such failure and until one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee, if any.

No condition, other than as herein provided, shall be exacted as a prerequisite to any such advance.

ASSIGNMENT—No assignment of this policy shall be binding upon the company until it be filed with the company at its said home office. The company assumes no responsibility as to the validity of any assignment.

OPTIONS ON SURRENDER OR LAPSE—After this policy shall have been in force three full years, the owner, within one month after any default, may elect (a) to accept the value of this policy in cash, or (b) to have the insurance continued in force from date of default, without future participation and without the right to loans, for its face amount, including any outstanding dividend additions, less any indebtedness to the company hereon, or (c) to purchase non-participating paid-up insurance, payable at the same time and on the same conditions as this policy. The cash value will be the reserve at the date of default on this policy and on any dividend additions thereto, computed according to the (designate mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per cent per annum less (here may be inserted not more than two and one-half) per cent of the amount insured by this policy and of any dividend additions thereto, and less any existing indebtedness to the company on this policy. Payment of such cash value may be deferred by the company for not exceeding six months after the application therefor is made.

The term for which the insurance will be continued or the amount of paid-up policy will be such as the cash value will purchase as a net single premium at the attained age of the insured, according to the (designate the mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per cent per annum. If the sum applicable to the purchase of temporary insurance shall be more than sufficient to continue the insurance to the end of the endowment term named in this policy, the excess shall be used to purchase in the same manner non-participating paid-up pure endowment, payable at the end of the endowment term and on the same conditions. If the owner shall not, within one month from default, surrender this policy to the company at its home office for a cash surrender value or for paid-up insurance, as provided in options (a) and (c), the insurance will be continued as provided in option (b).

The figures in the following table are computed in accordance with the above provisions and upon the assumption that there is no indebtedness on the policy, and that there are no outstanding dividend additions.

(At the option of the company the following may be here inserted: "The figures apply to a policy for \$1,000. As this contract is for \$....., the loan, cash, paid-up insurance or pure endowment available in any year will be the amount stated in the table for that year.")

At End of Year	Cash or Loan Value	Paid-up Endowment Insurance	Continued Insurance			Pure Endowment
			Years	Months	Days	
3	\$.....	\$.....	\$.....
4	\$.....	\$.....	\$.....
5	\$.....	\$.....	\$.....
6	\$.....	\$.....	\$.....
7	\$.....	\$.....	\$.....

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8	\$					\$
9	\$					\$
10	\$					\$
11	\$					\$
12	\$					\$
13	\$					\$
14	\$					\$
15	\$					\$
16	\$					\$
17	\$					\$
18	\$					\$
19	\$					\$
20	\$					\$

Figures for later years will be furnished upon request.

REINSTATEMENT—In case of continued temporary insurance under the above provision, this policy, upon evidence of insurability satisfactory to the company, may be reinstated within the first three years of the term for which the insurance is continued by payment of arrears of premiums, with interest at (here insert not greater than six) per cent per annum.

OPTION AT MATURITY—The insured, by written notice to the company at its home office, and with written consent of the assignee and irrevocable beneficiary, if any, may elect to have the net sum payable under this policy paid either in cash or as follows:

(1) By the payment of interest thereon at.....per cent per annum, payable annually to the payee under this policy at the end of each year during the life of the payee and by the payment, upon the death of the payee, of the said net sum and accrued interest to the executors, administrators or assigns of the payee, unless otherwise directed in said notice.

(2) By the payment of equal annual instalments for a specified number of years, the first instalment being payable immediately, in accordance with the following table for each \$1,000 of said net sum.

(3) By the payment of equal annual instalments payable at the beginning of each year for a fixed period of 20 years and for so many years longer as the payee shall survive, in accordance with the following table for each \$1,000 of said net sum.

Instalments payable under options (2) or (3), which shall not have been paid prior to the death of the payee, shall be paid, unless otherwise directed in said notice, to the executors, administrators or assigns of the payee.

If the insured shall not have directed otherwise, the beneficiary may, after the death of the insured, by like written notice and with the written consent of the assignee, if any, select either of the above options.

Unless otherwise specified by the insured, the payee may, on any interest date, receive the amount yet due under option (1), and may at any time receive the commuted value of payments yet to be made, computed upon the same basis as option (2), in the following table, provided that no such commutation will be made under option (3), except after the death of the payee occurring within the aforesaid 20 years.

TABLE OF INSTALMENTS FOR EACH \$1,000

[illegible]

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Agents are not authorized to modify this policy or to extend the time for paying a premium.

IN WITNESS WHEREOF, the company has caused this policy to be executed this.....day of.....

(Name of state).....

Standard Life Insurance Policy.

(Insert "ordinary" or "limited payment") life fixed survivorship annuity.

Age.....

Amount \$..... Premiums \$.....

.....

.....

.....

.....of (name of state).....

In consideration of.....dollars, receipt of which is hereby acknowledged, and of the payment of (here insert amounts and times of payments of premiums) until (insert "the death of the insured" in ordinary life and ".....full years' premiums shall have been paid or until the prior death of the insured" in limited payment life).

Promises to pay at its home office in.....dollars, in 20 equal annual instalments of \$.....to.....(herein called the beneficiary), (insert "his" or "her") executors, administrators or assigns, with (insert "out" if so desired) right of revocation, if (insert "he" or "she") survives the insured, otherwise to the executors, administrators or assigns of the insured, the first instalment being payable immediately upon receipt of due proof of the death of the insured and (any) indebtedness to the company on this policy, together with the balance, if any, of the then current year's premium being deducted from the amounts first payable under this contract.

Should the beneficiary live to receive the 20 instalments payable to (insert "him" or "her"), as above provided, the company will pay (insert "him" or "her"), annually, during the remainder of (insert "his" or "her") life, the sum of \$....., beginning one year after the date when the twentieth instalment payable hereunder shall fall due.

CHANGE OF BENEFICIARY—When the right of revocation has been reserved, or, in case of the death of any beneficiary under either a revocable or irrevocable designation, the insured, subject to any existing assignment of the policy, may designate a new beneficiary, with or without reserving the right of revocation, by filing written notice thereof at the home office of the company, accompanied by the policy for suitable endorsement thereon. If any beneficiary shall die before the insured and the insured shall not have designated a new beneficiary, the interest of such beneficiary shall be payable to the insured, (insert "his" or "her") executors, administrators or assigns. If a new beneficiary shall be designated, only 20 annual instalments will be payable under this policy, and further (if necessary, insert "semi" or "quarterly") annual premiums will be reduced to.....dollars each.

PAYMENT OF PREMIUMS—The company will accept payment of premiums at other times than stated above, as follows:

.....

.....

Upon return of this policy to the company, accompanied by evidence satisfactory to the company of the death of the beneficiary, the company will reduce the future (here insert "annual," "semiannual," or "quarterly") premiums to \$.....each.

Except as herein provided, the payment of a premium or instalment thereof shall not maintain the policy in force beyond the date when the next premium or instalment thereof is payable.

All premiums are payable in advance at said home office, or to an agent of the company, upon delivery of a receipt signed by one or more of the following officers of the company (insert titles of officers who may sign receipts) and countersigned by said agent.

A grace of one month, subject to an interest charge at the rate of.....per cent per annum, shall be granted for the payment of every premium after the

first, during which month the insurance shall continue in force. If the insured shall die during the month of grace, the overdue premium will be deducted from any amount hereon in any settlement hereunder.

CONDITIONS—(The policy may here provide for restrictions of liability by reason of travel, occupation, change of residence and suicide. These restrictions, except such as refer to military and naval service in time of war, must be applicable only to cases where the act of the insured provided against occurs within two years after the issuance of the policy.)

INCONTESTABILITY—This policy constitutes the entire contract between the parties and shall be incontestable from its date, except for non-payment of premiums and except as otherwise provided in this policy. All statements made by the insured shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall avoid this policy unless it is contained in a written application and a copy of such application shall be endorsed upon or attached to this policy when issued.

If the age of the insured has been understated, or if the age of the beneficiary has been overstated, the amount payable hereunder shall be such as the premium paid would have purchased at the correct age.

PARTICIPATION—This policy shall participate in the surplus of the company, and, beginning not later than the end of the (insert first, second or third) policy year, the company will, annually, determine and account for the portion of divisible surplus accruing hereon.

DIVIDENDS—Dividends, at the option of the owner of this policy, shall, on the day of of each year, (here may be inserted "after the first policy year" or "after the second policy year") be either—

- (1) Paid in cash, or
- (2) Applied toward the payment of any premium or premiums, or
- (3) Applied to the purchase of paid-up additions to the policy, payable in 20 annual instalments, at the same times as the original amount insured under this policy is payable. The payment of such 20 instalments shall discharge the company from all liability on account of such dividend additions, or
- (4) Left to accumulate to the credit of the policy, with interest at (here insert a rate not exceeding that used by the company in calculating its reserves) per cent per annum and payable at the maturity of the policy, but withdrawable on any anniversary of the policy.

Unless the owner of this policy shall elect otherwise within three months after mailing by the company of a written notice requiring such election, the dividends shall be paid in cash.

LOANS—After three full years' premiums have been paid, the company, at any time while this policy is in force, will advance, on the proper assignment of this policy and on the sole security thereof, at a rate of interest not greater than per cent per annum, which interest, if not paid annually, shall be added to the principal and bear the same rate of interest, a sum equal to, or, at the option of the owner of the policy, less than, the reserve at the end of the current policy year required to provide for the 20 instalments payable under this policy and for any dividend additions thereto and no more, computed according to the (designate mortality table adopted by the company for computing reserves) mortality table, and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per cent per annum, less (here may be inserted not more than two and one-half) per cent of the amount insured by this policy, and of any dividend additions thereto. The company, however, will deduct from such loan value any existing indebtedness to the company on the policy and any unpaid balance of the premium for the current policy year, and may collect interest in advance on the loan to the end of the current policy year. Such loan may be deferred by the company for not exceeding six months after the application therefor is made. Failure to repay any such advance or to pay interest shall not avoid this policy unless the total indebtedness hereon to the company shall equal or exceed such loan value at the time of such failure, and until one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee, if any. No condition, other than as herein provided, shall be exacted as a prerequisite to any such advance.

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ASSIGNMENT—No assignment of this policy shall be binding upon the company until it be filed with the company at its said home office. The company assumes no responsibility as to the validity of any assignment.

OPTIONS ON SURRENDER OR LAPSE—After this policy shall have been in force three full years, the owner, within one month after any default, may elect:

(a) To accept the value of this policy in cash, or

(b) To have the insurance continued in force from date of default, without future participation and without the right to loans, for its face amount, including any outstanding dividend additions, less any indebtedness to the company hereon, or

(c) To purchase non-participating paid-up insurance, payable, except as hereinafter provided, at the same time and on the same conditions as this policy. The cash value will be the reserve at the date of default required to provide for the 20 instalments payable under this policy and for any dividend additions thereto, computed according to the (designate mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per cent per annum, less (here may be inserted not more than two and one-half) per cent of the amount insured by this policy and of any dividend additions thereto, and less any existing indebtedness to the company on this policy. Payment of such cash value may be deferred by the company for not exceeding six months after the application therefor is made. The term for which the insurance will be continued or the amount of the paid-up policy will be such as the cash value will purchase as a net single premium at the attained age of the insured, according to the (designate the mortality table adopted by the company for computing reserves), mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per cent per annum. If the owner shall not, within one month from default, surrender this policy to the company, at its home office, for a cash surrender value or paid-up insurance, as provided in options (a) and (c), the insurance will be continued as provided in option (b). The paid-up or continued temporary insurance will be payable in 20 equal instalments and the payment of 20 instalments under either option shall discharge the company from all liability under this policy.

The figures of the following table are computed in accordance with the above provisions and upon the assumption that there is no indebtedness on the policy, and that there are no outstanding dividend additions.

(At the option of the company the following may be here inserted:

"The figures apply to a policy for \$1,000. As this contract is for \$....., the loan, cash, or paid-up insurance available in any year will be.....the amount stated in the table for that year.")

At End of Years	Cash or Loan Value	Paid-up Life Insurance	Continued Insurance		
			Years	Months	Days
3	\$.....	\$.....
4	\$.....	\$.....
5	\$.....	\$.....
6	\$.....	\$.....
7	\$.....	\$.....
8	\$.....	\$.....
9	\$.....	\$.....
10	\$.....	\$.....
11	\$.....	\$.....
12	\$.....	\$.....
13	\$.....	\$.....
14	\$.....	\$.....
15	\$.....	\$.....
16	\$.....	\$.....
17	\$.....	\$.....
18	\$.....	\$.....
19	\$.....	\$.....
20	\$.....	\$.....

Figures for later years will be furnished upon request.

REINSTATEMENT—In case of continued temporary insurance under the above provisions, this policy, upon evidence of insurability satisfactory to the company, may be reinstated within the first three years of the term for which the insurance

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is continued, by payment of arrears of premiums, with interest at (here insert not greater than six) per cent per annum.

AGENTS ARE NOT AUTHORIZED to modify this policy or to extend the time for paying a premium.

IN WITNESS WHEREOF, the company has caused this policy to be executed this.....day of.....

(Name of state)

.....Standard Life Insurance Policy.
Endowment Fixed Survivorship Annuity
Age.....

Amount \$..... Premium \$.....

Of (Name of state)

IN CONSIDERATION OF.....dollars, receipt of which is hereby acknowledged, and of the payment of (here insert amounts and times of payments of premiums) until.....full years' premiums shall have been paid or until the prior death of the insured.

Promises to pay at its home office in.....dollars in 20 equal annual instalments of \$.....to the insured, the first instalment to be payable on the.....day of....., 19..... If the insured shall die before receiving all of the 20 instalments herein provided for, the remainder of such 20 instalments shall be payable as they fall due to.....(herein called the beneficiary), (insert "his" or "her") executors, administrators or assigns, with.....(insert "out" if so desired) right of revocation, if (insert "he" or "she") survives the insured, otherwise to the executors, administrators or assigns of the insured.

Should the insured die before (insert date of maturity), this policy shall be payable to the beneficiary, (insert "his" or "her") executors, administrators or assigns, if (insert "he" or "she") survives the insured, otherwise to the executors, administrators or assigns of the insured (the first instalment being payable immediately upon receipt of due proof of the death of the insured.) Any indebtedness to the company on this policy, together with the balance, if any, of the then current year's premium, will be deducted from the amounts first payable under this contract.

Should the insured or beneficiary live to receive the 20 instalments payable as above provided, the company, beginning one year after the date when the twentieth instalment payable hereunder shall fall due, will pay the sum of \$.....annually, to the insured, or, in the event of the death of the insured, to the beneficiary, the said annual payment to be due and payable so long as either the insured or beneficiary is living.

CHANGE OF BENEFICIARY—When the right of revocation has been reserved, or in case of the death of any beneficiary under either a revocable or irrevocable designation, the insured, subject to any existing assignment of the policy, may designate a new beneficiary, with or without reserving the right of revocation, by filing written notice thereof at the home office of the company, accompanied by the policy for suitable endorsement thereon. If any beneficiary shall die before the insured and the insured shall not have designated a new beneficiary, the interest of such beneficiary shall be payable to the insured, (insert "his" or "her") executors, administrators or assigns. If a new beneficiary shall be designated, only 20 annual instalments will be payable under this policy, and future (if necessary, insert "semi" or "quarterly") annual premiums will be reduced to.....dollars each.

PAYMENT OF PREMIUMS—The company will accept payment of premiums at other times than as stated above, as follows:

Upon return of this policy to the company, accompanied by evidence satisfactory to the company of the death of the beneficiary, the company will reduce the future

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(here insert "annual," "semiannual" or "quarterly") premiums to \$. each.

Except as herein provided, the payment of a premium or instalment thereof shall not maintain the policy in force beyond the date when the next premium or instalment thereof is payable.

All premiums are payable in advance at said home office, or to an agent of the company, upon delivery of a receipt signed by one or more of the following officers of the company (insert titles of officers who may sign receipts) and countersigned by said agent.

A grace of one month, subject to an interest charge at the rate of per cent per annum, shall be granted for the payment of every premium after the first, during which month the insurance shall continue in force. If the insured shall die during the month of grace, the overdue premium will be deducted from any amount payable hereon in any settlement hereunder.

CONDITIONS—(The policy may here provide for restrictions of liability by reason of travel, occupation, change of residence and suicide. These restrictions, except such as refer to military and naval service in time of war, must be applicable only to cases where the act of the insured provided against occurs within two years after the issuance of the policy.)

INCONTESTABILITY—This policy constitutes the entire contract between the parties and shall be incontestable, from its date, except for non-payment of premiums and except as otherwise provided in this policy. All statements made by the insured shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall avoid this policy unless it is contained in a written application, and a copy of such application shall be endorsed upon or attached to this policy when issued.

If the age of the insured has been understated, or if the age of the beneficiary has been overstated, the amount payable hereunder shall be such as the premium paid would have purchased at the correct age.

PARTICIPATION—This policy shall participate in the surplus of the company, and, beginning not later than the end of the (insert first, second or third) policy year, the company will annually determine and account for the portion of the divisible surplus accruing hereon.

DIVIDENDS—Dividends, at the option of the owner of this policy, shall, on the day of of each year, (here may be inserted "after the first policy year" or "after the second policy year") be either—

- (1) Paid in cash, or
- (2) Applied toward the payment of any premium or premiums, or
- (3) Applied to the purchase of paid-up additions to the policy, payable in 20 annual instalments, at the same times as the original amount insured under this policy is payable. The payment of such 20 instalments shall discharge the company from all liability on account of such dividend additions; or

- (4) Left to accumulate to the credit of the policy, with interest at (here insert a rate not exceeding that used by the company in calculating its reserves) per cent per annum, and payable at the maturity of the policy, but withdrawable on any anniversary of the policy.

Unless the owner of this policy shall elect otherwise, within three months after the mailing by the company of a written notice requiring such election, the dividends shall be paid in cash.

LOANS—After three full years' premiums have been paid, the company, at any time, while this policy is in force, will advance, on proper assignment of this policy and on the sole security thereof, at a rate of interest not greater than per cent per annum, which interest, if not paid annually, shall be added to the principal and bear the same rate of interest, a sum equal to, or, at the option of the owner of the policy, less than the reserves at the end of the current policy year required to provide for the 20 instalments payable under this policy and for any dividend additions thereto, and no more, computed according to the (designate mortality table adopted by the company for computing reserves) mortality table, and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per cent per annum, less (here may be inserted not more than two and one-half) per cent of the amount insured by this policy and of any dividend additions thereto. The company, however, will deduct from such loan value any existing indebtedness to the company on the policy, and any unpaid balance of the

premium for the current policy year, and may collect interest in advance on the loan to the end of the current policy year. Such loan may be deferred by the company for not exceeding six months after the application therefor is made. Failure to repay any such advance or to pay interest shall not avoid this policy unless the total indebtedness hereon to the company shall equal or exceed such loan value at the time of such failure, and until one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee, if any. No condition, other than as herein provided, shall be exacted as a prerequisite to any such advance.

ASSIGNMENT—No assignment of this policy shall be binding upon the company until it is filed with the company at its said home office. The company assumes no responsibility as to the validity of any assignment.

OPTIONS ON SURRENDER OR LAPSE—After this policy shall have been in force three full years, the owner, within one month after any default, may elect:

(a) To accept the value of this policy in cash, or

(b) To have the insurance continued in force from date of default, without future participation and without the right to loans, for its face amount, including any outstanding dividend additions, less any indebtedness to the company hereon, or

(c) To purchase non-participating paid-up insurance payable, except as herein-after provided, at the same times and on the same conditions as this policy. The cash value will be the reserve at the date of default required to provide for the 20 instalments payable under this policy and for any dividend additions thereto, computed according to the (designate mortality table adopted by the company for computing reserves) mortality table, and interest at the rate (designate rate of interest adopted by the company for computing reserves) per cent per annum, less (here may be inserted not more than two and one-half) per cent of the amount insured by this policy and of any dividend additions thereto, and less any existing indebtedness to the company on this policy. Payment of such cash value may be deferred by the company for not exceeding six months after the application therefor is made. The term for which the insurance will be continued or the amount of the paid-up policy will be such as the cash value will purchase as a net single premium at the attained age of the insured, according to the (designate the mortality table adopted by the company for computing reserves) mortality table, and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per cent per annum. If the sum applicable to the purchase of temporary insurance shall be more than sufficient to continue the insurance to the end of the endowment term named in the policy, the excess shall be used to purchase in the same manner non-participating paid-up pure endowment, payable at the end of the endowment term and on the same conditions. If the owner shall not, within one month from default, surrender this policy to the company at its home office, for cash surrender value or for paid-up insurance, as provided in options (a) and (c), the insurance will be continued as provided in option (b). The paid-up or continued temporary and pure endowment insurance will be payable in 20 equal annual instalments, and the payment of 20 instalments under either option shall discharge the company from all liability under this policy.

The figures in the following table are computed in accordance with the above provisions and upon the assumption that there is no indebtedness on the policy, and that there are no outstanding dividend additions.

(At the option of the company, the following may be here inserted: "The figures apply to a policy for \$1,000. As this contract is for \$....., the loan, cash, paid-up insurance or pure endowment available in any year will bethe amount stated in the table for that year").

At End of Year	Cash or Loan Value	Paid-up Endowment Insurance	Continued Insurance			Pure Endowment
			Years	Months	Days	
3	\$.....	\$.....	\$.....
4	\$.....	\$.....	\$.....
5	\$.....	\$.....	\$.....
6	\$.....	\$.....	\$.....
7	\$.....	\$.....	\$.....
8	\$.....	\$.....	\$.....
9	\$.....	\$.....	\$.....
10	\$.....	\$.....	\$.....

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11	\$.....	\$.....	\$.....
12	\$.....	\$.....	\$.....
13	\$.....	\$.....	\$.....
14	\$.....	\$.....	\$.....
15	\$.....	\$.....	\$.....
16	\$.....	\$.....	\$.....
17	\$.....	\$.....	\$.....
18	\$.....	\$.....	\$.....
19	\$.....	\$.....	\$.....
20	\$.....	\$.....	\$.....

Figures for later years will be furnished upon request.

REINSTATEMENT—In case of continued temporary insurance under the above provisions, this policy, upon evidence of insurability satisfactory to the company, may be reinstated within the first three years of the term for which the insurance is continued, by payment of arrears of premiums, with interest at (here insert not greater than six) per cent per annum.

Agents are not authorized to modify this policy or to extend the time for paying a premium.

IN WITNESS WHEREOF, the company has caused this policy to be executed this.....day of.....

(Name of state)

Standard Life Insurance Policy.

Term.

Age.....

Amount \$..... Premium \$.....

Of (Name of state)

In consideration ofdollars, receipt of which is hereby acknowledged, and of the payment of (here insert amounts and times of payments of premiums) untilfull years' premiums shall have been paid, or until the prior death of the insured.

Promises to pay upon receipt at the home office of the company inof due proof of the death ofofcounty of, state of, herein called the insured, withinyears from the date hereofdollars, less any indebtedness hereon to the company, and any unpaid portion of the premium for the then current policy year, at said home office, tobeneficiarywith (insert "out" if so desired) right of revocation.

CHANGE OF BENEFICIARY—When the right of revocation has been reserved, or in the case of the death of any beneficiary under either a revocable or irrevocable designation, the insured, subject to any existing assignment of the policy, may designate a new beneficiary, with or without reserving right of revocation, by filing written notice thereof at the home office of the company, accompanied by the policy for suitable endorsement thereon. If any beneficiary shall die before the insured, and the insured shall not have designated a new beneficiary, the interest of such beneficiary shall be payable to the insured (insert "his" or "her"), executors, administrators or assigns.

PAYMENT OF PREMIUMS—The company will accept payment of premiums at other times than as stated above, as follows:

Except as herein provided, the payment of a premium or instalment thereof shall not maintain the policy in force beyond the date when the next premium or instalment thereof is payable.

All premiums are payable in advance at said home office, or to an agent of the company, upon delivery of a receipt signed by one or more of the following officers of the company (insert titles of officers who may sign receipts), and countersigned by such agent.

A grace of one month, subject to an interest charge at the rate of per cent per annum, shall be granted for the payment of every premium after the first, during which month the insurance shall continue in force. If the insured shall die during the month of grace, the overdue premium will be deducted from any amount payable hereon in any settlement hereunder.

CONDITIONS—(The policy may here provide for restrictions of liability by reason of travel, occupation, change of residence and suicide. These restrictions, except such as refer to military and naval service in time of war, must be applicable only to such cases where the act of the insured provided against occurs within two years after the issuance of the policy.)

INCONTESTABILITY—This policy constitutes the entire contract between the parties and shall be incontestable from its date, except for non-payment of premiums and except as otherwise provided in this policy. All statements made by the insured shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall avoid this policy unless it is contained in a written application, and a copy of such application shall be endorsed upon or attached to this policy when issued.

If the age of the insured has been understated, the amount payable hereunder shall be such as the premium paid would have purchased at the correct age.

PARTICIPATION—This policy shall participate in the surplus of the company, and, beginning not later than the end of the (insert first, second or third) policy year, the company will, annually, determine and account for the portion of the divisible surplus accruing hereon.

DIVIDENDS—Dividends, at the option of the owner of this policy, shall, on the day of, of each year (here may be inserted "after the first policy year" or "after the second policy year"), be either—

(1) Paid in cash, or

(2) Applied toward the payment of any premium or premiums, or

(The policy, at the option of the company, may here provide for a further option, as follows:)

(3) Left to accumulate to the credit of the policy, with interest at (here insert a rate not exceeding that used by the company in calculating its reserves) per cent per annum, and payable at the maturity of the policy, or at the expiration of the term, but withdrawable on any anniversary of the policy.

Unless the owner of this policy shall elect otherwise within three months after the mailing by the company of a written notice requiring such election, the dividends shall be paid in cash.

ASSIGNMENT—No assignment of this policy shall be binding upon the company, until it be filed with the company at its home office. The company assumes no responsibility as to the validity of any assignment.

(If the term of the policy is for more than 20 years, the company shall provide for continuance of insurance on surrender or lapse in the following form:)

CONTINUANCE OF INSURANCE ON LAPSE—In event of default in premium payments after this policy shall have been in force three full years, the reserve hereon, according to the (designate mortality table adopted by the company for computing reserves) mortality table, and interest at the rate (designate rate of interest adopted by the company for computing reserves) per cent per annum, less (here may be inserted not more than two and one-half) per cent of the amount insured by the policy, will be applied to the purchase of non-participating continued temporary insurance for the face amount of this policy at net single premium rates at the attained age of the insured, according to the same table of mortality and rate of interest.

TABLE OF CONTINUED INSURANCE

At End of Years	Continued Insurance		
	Years	Months	Days
3
4
5
6
7
8
9

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10
11
12
13
14
15
16
17
18
19
20

Figures for later years will be furnished upon request.

(If the term policy is for more than 20 years, the company shall provide for reinstatement in the following form:)

REINSTATEMENT—Upon evidence of insurability satisfactory to the company, this policy may be reinstated within the first three years of the term for which the insurance is continued, by payment of arrears of premiums, with interest at (here insert not greater than six) per cent per annum.

OPTIONS AT MATURITY—The insured, by written notice to the company at its home office and with written consent of the assignee and irrevocable beneficiary, if any, may elect to have the net sum payable under this policy paid either in cash or as follows:

(1) By the payment of interest thereon at per cent per annum, payable annually, to the payee under this policy at the end of each year during the life of the payee, and by the payment, upon the death of the payee, of the said net sum and accrued interest to the executors, administrators or assigns of the payee, unless otherwise directed in said notice.

(2) By the payment of equal annual instalments for a specified number of years, the first instalment being payable immediately, in accordance with the following table for each \$1,000 of said net sum.

(3) By the payment of equal annual instalments, payable at the beginning of each year, for a fixed period of 20 years, and for so many years longer as the payee shall survive, in accordance with the following table for each \$1,000 of said net sum.

Instalments payable under options (2) or (3), which shall not have been paid prior to the death of the payee, shall be paid, unless otherwise directed in said notice, to the executors, administrators or assigns of the payee.

If the insured shall not have directed otherwise, the beneficiary may, after the death of the insured, by like written notice, and with written consent of the assignee, if any, select either of the above options.

Unless otherwise specified by the insured, the payee may, on any interest date, receive the amount yet due under option (1), and may at any time receive the commuted value of payments yet to be made, computed upon the same basis as option (2) in the following table; provided, that no such commutation will be made under option (3), except after the death of the payee occurring within the aforesaid 20 years.

TABLE OF INSTALMENTS FOR EACH \$1,000

Option (2)		Option (3)	
Number of Annual Instalments	Amount of Each Instalment	Age of Payee when Policy Becomes Payable	Amount of Each Instalment
:	:	:	:
:	:	:	:
:	:	:	:
:	:	:	:
:	:	:	:

Agents are not authorized to modify this policy or to extend the time for paying a premium.

IN WITNESS WHEREOF, the company has caused this policy to be executed this day of
(Name of state)

..... Standard Life Insurance Policy.
Term with right to renew and change.
Age

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Amount \$..... Premium \$.....

Of (Name of state)

In consideration of dollars, receipt of which is hereby acknowledged, and of the payment of (here insert amounts and times of payments of premiums), until full years' premiums shall have been paid, or until the prior death of the insured.

Promises to pay upon receipt at the home office of the company in of due proof of the death of, of, county of, state of, herein called the insured, within years from the date hereof dollars, less any indebtedness hereon to the company and any unpaid portion of the premium for the then current policy year, at said home office, to beneficiary....., with (insert "out") right of revocation.

CHANGE OF BENEFICIARY—When the right of revocation has been reserved, or in case of the death of any beneficiary under either a revocable or irrevocable designation, the insured, subject to any existing assignment of the policy, may designate a new beneficiary, with or without reserving the right of revocation, by filing written notice thereof at the home office of the company, accompanied by the policy for suitable endorsement thereon. If any beneficiary shall die before the insured and the insured shall not have designated a new beneficiary, the interest of such beneficiary shall be payable to the insured (insert "his" or "her"), executors, administrators or assigns.

PAYMENT OF PREMIUMS—The company will accept payment of premiums at other times than as stated above, as follows:

Except as herein provided, the payment of a premium or instalment thereof shall not maintain the policy in force beyond the date when the next premium or instalment thereof is payable.

All premiums are payable in advance at said home office, or to an agent of the company, upon delivery of a receipt signed by one or more of the following officers of the company (insert titles of officers who may sign receipts), and countersigned by said agent.

A grace of one month, subject to an interest charge at the rate of per cent per annum, shall be granted for the payment of every premium after the first, during which month the insurance shall continue in force. If the insured shall die during the month of grace, the overdue premium will be deducted from any amount payable hereon in any settlement hereunder.

CONDITIONS—(The policy may here provide for restrictions of liability by reason of travel, occupation, change of residence and suicide. These restrictions, except such as refer to military and naval service in time of war, must be applicable only to cases where the act of the insured provided against occurs within two years after the issuance of the policy.)

INCONTESTABILITY—This policy constitutes the entire contract between the parties and shall be incontestable, from its date, except for non-payment of premiums and except as otherwise provided in this policy. All statements made by the insured shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall avoid this policy, unless it is contained in a written application, and a copy of such application shall be endorsed upon or attached to this policy when issued.

If the age of the insured has been understated, the amount payable hereunder shall be such as the premium paid would have purchased at the correct age.

PARTICIPATION—This policy shall participate in the surplus of the company, and, beginning not later than the end of the (insert first, second or third) policy year, the company will, annually, determine and account for the portion of the divisible surplus accruing hereon.

DIVIDENDS—Dividends, at the option of the owner of this policy, shall, on the day of of each year (here may be inserted "after the first policy year" or "after the second policy year"), be either—

- (1) Paid in cash, or
- (2) Applied toward the payment of any premium or premiums.

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(This policy, at the option of the company, may here provide for a further option, as follows:)

(3) Left to accumulate to the credit of the policy, with interest at (here insert a rate not exceeding that used by the company in calculating its reserves) per cent per annum and payable at the maturity of the policy, or at the expiration of the term, but withdrawable on any anniversary of the policy.

Unless the owner of this policy shall elect otherwise within three months after the mailing by the company of a written notice requiring such election, the dividends shall be paid in cash.

PRIVILEGE OF RENEWAL—The owner of this policy, if the insured be not over the age of 65 years, may renew this policy for further terms of years each, by written notice to the company at its said home office, accompanied by this policy for suitable endorsement on or before the expiration of the insurance hereunder, and by paying the premiums to be fixed by the age on the birthday nearest to the date of such renewal, in accordance with the following table for each \$1,000 of insurance; if the insured shall be over the age of 65 years, this policy may, upon similar notice, be surrendered for an ordinary life policy, which shall require premiums during life in accordance with the following table for each \$1,000 of insurance.

TABLE OF PREMIUMS FOR RENEWALS

Years' Term Premium Payable in Advance for Each \$1,000		Ordinary Life Premium Payable in Advance for Each \$1,000	
Attained Age		Attained Age	
:	:	:	:
:	:	:	:
:	:	:	:
:	:	:	:

PRIVILEGE TO CHANGE TO OTHER FORMS OF POLICIES—The owner of this policy may, at any time within the first years, exchange this policy for a participating policy for the same amount or any less amount upon the ordinary life, limited payment life, or endowment plan, upon any anniversary of the policy or within the month of grace, by surrendering the policy to the company, at said home office, with written notice of the election, and by paying the premium, to be fixed by the age on the birthday nearest to the date of such exchange, according to the rates of the company then in force.

ASSIGNMENT—No assignment of this policy shall be binding upon the company until it be filed with the company at its said home office. The company assumes no responsibility as to the validity of any assignment.

(If the term of the policy is for more than 20 years, the company shall provide for continuance of insurance on surrender or lapse in the following form:)

CONTINUANCE OF INSURANCE ON LAPSE—In event of default in premium payments after this policy shall have been in force three full years, the reserve hereon, according to the (designate mortality table adopted by the company for computing reserves) mortality table, and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per cent per annum, less the rate of (designate rate of interest adopted by the company for computing reserves) per cent per annum, less (here may be inserted not more than two and one-half) per cent of the amount insured by this policy, will be applied to the purchase of non-participating continued temporary insurance for the face amount of this policy at net single premium rates at the attained age of the insured, according to the same table of mortality and rate of interest.

TABLE OF CONTINUED INSURANCE

Continued Insurance

At End of Years	Years	Months	Days
3
4
5
6
7
8

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61.28 EXCEPTIONS. Single premium policies may be issued in any form prescribed in section 61.27, omitting therefrom provisions or portions thereof applicable

only to other than single premium policies. Non-participating policies may be issued in any form prescribed in section 61.27 if they shall contain a provision that the policy shall be non-participating, and such policies shall omit therefrom clauses for participation in the surplus of the company.

[1907 c. 220 s. 3] (3400)

61.29 PRELIMINARY TERM PROVISIONS. Policies issued pursuant to the provisions of sections 61.26 to 61.30 and 61.34 to 61.39 may provide for not more than one year preliminary term insurance, and shall be valued accordingly by incorporating therein the following clause immediately preceding the "change of beneficiary" clause: "The first year's insurance under this policy is term insurance."

[1907 c. 220 s. 4] (3401)

61.30 PROVISIONS INCLUDED IN EVERY POLICY. No policy of life insurance in form other than as provided in section 61.27 shall be issued in this state, or be issued by a life insurance company organized under the laws of this state, unless the same shall contain the following provisions:

(1) A provision that all premiums shall be payable in advance, either at the home office of the company, or to an agent of the company, upon delivery of a receipt signed by one or more of the officers who shall be named in the policy and countersigned by the agent, but any policy may contain a provision that the policy itself shall be a receipt for the first premium;

(2) A provision for a grace of one month for the payment of every premium after the first, which may be subject to an interest charge, during which month the insurance shall continue in force, which provision may contain a stipulation that if the insured shall die during the month of grace the overdue premium will be deducted in any settlement under the policy;

(3) A provision that the policy shall constitute the entire contract between the parties and shall be incontestable after it shall have been in force during the lifetime of the insured for two years from its date, except for non-payment of premiums and except for violations of the conditions of the policy relating to naval and military services in time of war, and, at the option of the company, provisions relative to benefits in the event of total and permanent disability, and provisions which grant additional insurance specifically against death by accident, may also be excepted; a special form of policy may be issued on the life of a person employed in an occupation classed by the company as extra hazardous or as leading to hazardous employment, which shall provide that service in certain designated occupations may reduce the company's liability under the policy to a certain designated amount not less than the full policy reserve;

(4) A provision that all statements made by the insured shall, in the absence of fraud, be deemed representations and not warranties, and that no such statement shall avoid the policy unless it is contained in a written application, and a copy of the application shall be endorsed upon or attached to the policy when issued;

(5) A provision that if the age of the insured has been understated, the amount payable under the policy shall be such as the premium would have purchased at the correct age;

(6) A provision that the policy shall participate in the surplus of the company and that, beginning not later than the end of the third policy year, the company will, annually, determine and account for the portion of the divisible surplus accruing on the policy, and that the owner of the policy shall have the right, each year after the fifth, to have the current dividend arising from such participation paid in cash, and if the policy shall provide other dividend options, it shall further provide that if the owner of the policy shall not elect any such other options, the dividends shall be paid in cash, which provision may stipulate that any dividends payable during the first five years of such policy shall be conditioned upon the payment of the next ensuing annual premium; this provision shall not be required in non-participating policies, nor in policies issued on under-average lives, nor in insurance in exchange for lapsed or surrendered policies;

(7) A provision that after three full years' premiums have been paid, the company, at any time while the policy is in force, will advance, on proper assignment of the policy, and on the sole security thereof, at a specified rate of interest, a sum equal to, or, at the option of the owner of the policy, less than, the reserve at the end of the current policy year on the policy, and on any dividend additions thereto, specifying the mortality table and rate of interest adopted for computing such reserve, less a sum not more than two and one-half per cent of the amount insured

by the policy, and of any dividend additions thereto; and that the company will deduct from such loan value any existing indebtedness on the policy and any unpaid balance of the premium for current policy year, and may collect interest in advance on the loan to the end of the current policy year; which provision shall further provide that such loan may be deferred for not exceeding 60 days after the application therefor is made, and which provision may further provide that such loan may be deferred for not exceeding six months after the application therefor is made; it shall be further stipulated in the policy that failure to repay any such advance or to pay interest shall not avoid the policy unless the total indebtedness thereon to the company shall equal or exceed such loan value at the time of such failure, nor until one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee of record, if any, at the home office of the company; no condition, other than as herein provided, shall be exacted as a prerequisite to any such advance; but this provision shall not be required in term insurance;

(8) A provision which, in event of default in premium payments, after premiums shall have been paid for three years, shall secure to the owner of the policy a stipulated form of insurance, the net value of which shall be at least equal to the reserve at the date of default on the policy and on any dividend additions thereto, specifying the mortality table and the rate of interest adopted for computing such reserves, less a sum not more than two and one-half per cent of the amount insured by the policy, and of any existing dividend additions thereto, and less any existing indebtedness to the company on the policy; this provision shall stipulate that the policy may be surrendered to the company, at its home office, within one month from date of default, for a specified cash value at least equal to the sum which would otherwise be available for the purchase of insurance as aforesaid, and shall stipulate that the company may defer payment for not more than 60 days after the application therefor is made, and may stipulate that the company may defer payment for not more than six months after the application therefor is made; but this provision shall not be required in term insurance of 20 years or less;

(9) A table showing in figures the loan values and the options available under the policies each year upon default in premium payments, during at least the first 20 years of the policy, beginning with the year in which such values and options become available;

(10) A provision that if, in event of default in premium payments, the value of the policy shall be applied to the purchase of other insurance, and if such insurance shall be in force and the original policy shall not have been surrendered to the company and canceled, the policy may be reinstated within three years from such default, upon evidence of insurability satisfactory to the company, and payment of arrears of premiums, with interest;

(11) A provision that, when a policy shall become a claim by the death of the insured, settlement shall be made upon receipt of due proof of death, or not later than two months after receipt of such proof;

(12) A table showing the amount of instalments in which the policy may provide its proceeds may be payable;

(13) A title on the face and on the back of the policy correctly describing the same.

Any of the foregoing provisions or portions thereof relating to premiums not applicable to single premium policies, shall to that extent not be incorporated therein.

[1907 c. 220 s. 5; 1913 c. 152; 1925 c. 247 s. 1] (3402)

61.31 ADDITIONAL CONDITIONS IN POLICIES. In addition to the terms and conditions now required by law to be in the standard form of life insurance policies issued or delivered in this state, there shall be, when such policy provides for the payment to the beneficiary the proceeds thereof, in either monthly, quarterly, semiannual or annual instalments, to continue during the lifetime of the beneficiary, or for a stipulated number of years, whenever requested by the insured under the policy, a condition, term and agreement, as follows:

All rights of the beneficiary to commute, change time of payment or amount of instalments, surrender for cash, borrow against or assign for any purpose, are hereby withdrawn and those parts of this policy giving the beneficiary such rights are hereby declared inoperative and void; it being the intent hereof that the beneficiary shall have no right under this contract except to receive the instalments at

such times and in such amounts as stated in this policy, and all the provisions of this policy in conflict herewith are hereby declared to be inoperative.

[1913 c. 426 s. 1] (3403)

61.32 RIDERS ATTACHED TO POLICIES. The foregoing may be attached to the policy in the form of a rider thereon, and, when so attached, shall become a part of and form a part of the contract of insurance, evidenced by the policy to all intents and purposes as if set forth at length therein.

[1913 c. 426 s. 2] (3404)

61.33 RIDERS ATTACHED TO EXISTING POLICIES. Any life insurance company that has heretofore issued any policy of life insurance may, at the request of the insured, attach to any such policy heretofore issued which, by its terms, is payable to a beneficiary or beneficiaries in instalments, a rider containing the terms and conditions set forth in section 61.31 and, when so attached, the same shall become a part of the contract of insurance to all intents and purposes as if so attached when the policy was originally issued. It shall be unlawful for any insurance company to attach any rider, of any kind or description, to any policy except upon the approval of the commissioner, with whom it shall be discretionary whether any rider shall be attached to any policy.

[1913 c. 426 s. 3] (3405)

61.34 PROVISIONS WHICH NO POLICY MAY INCLUDE. Subdivision 1. No policy of life insurance in form other than as prescribed in section 61.27 shall be issued or delivered in this state, or be issued by a life insurance company organized under the laws of this state, if it contain any of the following provisions:

(1) A provision for forfeiture of the policy for failure to repay any loan on the policy or to pay interest on such loan while the total indebtedness on the policy is less than the loan value thereof; or any provision for forfeiture for failure to repay any such loan or to pay interest thereon, unless such provision contain a stipulation that no such forfeiture shall occur until at least one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee, if any, notice of whose address and contract of the assignment has been filed with the company, at its home office;

(2) A provision limiting the time within which any action at law or in equity may be commenced to less than five years after the cause of action shall accrue;

(3) A provision by which the policy shall purport to be issued or to take effect before the original application for the insurance was made, if thereby the assured would rate at any age younger than his age at date when the application was made, according to his age at nearest birthday;

(4) A provision for any mode of settlement at maturity of less value than the amount insured on the face of the policy plus dividend additions, if any, less any indebtedness to the company on the policy, and less any premium that may by the terms of the policy be deducted.

Subdivision 2. (1) Policies of life insurance may be issued in this state or be issued by a life insurance company organized under the laws of this state which limit coverage (either by provisions in the policy or in a rider made a part thereof) to an amount not less than the reserve on the policy (including the reserve for any paid-up additions thereto and any dividends standing to the credit of the policy) less any indebtedness to the company on the policy, when such limitation conforms with, or in the opinion of the insurance commissioner is more favorable to the policyholder than, the following:

(a) A provision in a policy issued on the life of a person employed in an occupation classed by the company as extra hazardous or as leading to hazardous employment, limiting coverage in event of service in certain designated occupations, in the event of death occurring as a result of aviation or aeronautics under conditions specified in the policy (except as a result of riding as a fare-paying passenger of a commercial air line flying on a regularly scheduled route between definitely established airports).

[1907 c. 220 s. 6; 1941 c. 218] (3406)

61.35 PRELIMINARY TERM POLICIES. Preliminary term policies not issued on the standard forms shall be subject to the provisions of section 61.29.

[1907 c. 220 s. 7] (3407)

61.36 FORMS OF POLICY, APPROVAL. No policy of life insurance shall be issued or delivered in this state, or be issued by a life insurance company organized under the laws of this state, until the form of the same has been filed with the

commissioner; and after he shall have notified any company of his disapproval of any form, it shall be unlawful for the company to issue any policy in the form so disapproved. The commissioner's action shall be subject to review by any court of competent jurisdiction.

[1907 c. 220 s. 8] (3408)

61.37 RECIPROCAL PROVISIONS IN POLICIES. The policies of a life insurance company, not organized under the laws of this state, may contain any provision which the laws of the state, territory, district, or country under which the company is organized, prescribe shall be in such policies, and the policies of a life insurance company organized under the laws of this state may, when issued or delivered in any other state, territory, district, or country, contain any provision required by the laws of the state, territory, district, or country in which the same are issued, anything in sections 61.26 to 61.30 and 61.34 to 61.39 to the contrary notwithstanding.

[1907 c. 220 s. 9] (3409)

61.38 EXCEPTIONS. Sections 61.26 to 61.30 and 61.34 to 61.39 shall not apply to annuities, industrial policies, or to corporations or associations operating on the assessment or fraternal plan, and in every case where a contract provides for both insurance and annuities, sections 61.26 to 61.30 and 61.34 to 61.39 shall apply only to that part of the contract which provides for insurance, but every contract containing a provision for a deferred annuity on the life of the insured only, unless paid for by a single premium, shall provide that, in event of the non-payment of any premium after three full years' premiums shall have been paid, the annuity shall automatically become converted into a paid-up annuity for that proportion of the original annuity as the number of completed years' premiums paid bears to the total number of premiums required under the contract.

[1907 c. 220 s. 10; 1909 c. 295 s. 1] (3410)

61.39 COMPANY DEFINED. When the word "company" is used in sections 61.26 to 61.30 and 61.34 to 61.39, it shall be held to include corporations and associations.

[1907 c. 220 s. 11] (3411)

61.40 LIFE POLICIES TO CONTAIN ENTIRE CONTRACT. Every policy of insurance issued or delivered within this state on or after the first day of January, 1908, by any life insurance corporation doing business within the state, shall contain the entire contract between the parties.

[1907 c. 44 s. 1] (3412)

61.41 COUPON POLICIES FORBIDDEN. So-called coupon policies shall not be issued or delivered by any company to any residents of this state.

[1913 c. 443 s. 1] (3413)

61.42 ADDITIONAL DATA IN ANNUAL STATEMENTS. In addition to any other matter which may be required by law or pursuant to law by the commissioner of insurance to be stated therein, every annual report of every life insurance company doing business in this state shall contain an accurate, concise, and complete statement of the following matters:

(1) All the real property held by the company, the dates of acquisition, the names of the vendors, the actual cost, the value at which it is carried on the company's books, the market value, the amounts extended during the year for repairs and improvements, the gross and net income from each parcel, and if any portion thereof be occupied by the company, the rental value thereof, a statement of any certificate issued by the commissioner extending the time for the disposition thereof, and all purchases and sales made since the last annual statement, with particulars as to dates, names of vendors and vendees, and the consideration;

(2) The amount of existing loans upon the security of real property, stating the amount loaned upon property in each state and foreign country;

(3) The moneys loaned by the company to any person, other than loans upon the security of real property above mentioned and other than loans upon policies, the actual borrowers thereof, the maturity and rate of interest of such loans, the securities held therefor, and all substitutions of securities during the current year in connection therewith, and the same particulars with reference to any loans made or discharged since the last annual statement;

(4) All other property owned by the company or in which it has interest, including all securities, whether or not recognized by the law as proper investments, the dates of acquisition, from whom acquired, the actual cost, the value at which

the property is carried upon the books, the market value, the interest or dividends received thereon during the year; also all purchases and sales of property, other than real estate, made since the last annual statement, with particulars as to dates, names of purchasers and sellers, and the consideration; and also the income received and outlays made in connection with all such property;

(5) All commissions paid to any persons in connection with loans or purchases or sales of any property, and a statement of all payments for legal expenses, giving particulars as to dates, amounts and names and addresses of payees;

(6) All moneys expended in connection with any matter pending before any legislative body or any officer or department of government, giving particulars as to dates, amounts, names and addresses of payees, the measure or proceedings in connection with which the payment was made, and the interest of the company therein;

(7) The names of the officers and directors of the company, the proceedings at the last annual election, giving the names of candidates and the number of votes cast for each, and whether in person, by proxy or by mail;

(8) The salary, compensation, and emoluments received by officers or directors, and where the same amounts to more than \$5,000, that received by any person, firm, or corporation, with particulars as to dates, amounts, payees, and the authority by which the payment was made; also all salaries paid to any representative, either at the home office, or at any branch office, or agency, for agency supervision;

(9) The largest balances carried in each bank or trust company during each month of the year;

(10) All death claims resisted or compromised during the year, with particulars as to sums insured, sums paid, and reasons assigned for resisting or compromising the same in each case;

(11) A complete statement of the profits and losses upon the business transacted during the year and the sources of the gains and losses, and a statement showing separately the margins upon premiums for the first year of insurance and the actual expenses chargeable to the procurement of new business insured since the last annual statement; a foreign company, issuing both participating and non-participating policies, shall make a separate statement of profits and losses, margins and expenses, as aforesaid, with reference to each of these kinds of business, and also showing the manner in which any general outlays of the company have been apportioned to each of such kinds of business;

(12) A statement separately showing the amount of the gains of the company for the year attributable to policies written after December 31, 190....., and the precise method by which the calculation has been made;

(13) The rates of annual dividends declared during the year for all plans of insurance and all durations and for the ages at entry, 25, 35, 45, and 55, and the precise method by which these dividends have been calculated;

(14) A statement showing the rates of dividends declared upon deferred dividend policies completing their dividend periods for all plans of insurance, and the precise methods by which these dividends have been calculated;

(15) A statement showing any and all amounts set apart or provisionally ascertained or calculated or held awaiting apportionment upon policies with deferred dividend periods longer than one year for all plans of insurance and all durations and for ages of entry, as aforesaid, together with the precise statements of the methods of calculation by which the same have been, provisionally or otherwise, determined; and

(16) A statement of any and all reserve or surplus funds held by the company and for what purpose they are claimed, respectively, to be held.

[1907 c. 243 s. 1] (3414)

61.43 STOCK AND MUTUAL LIFE INSURANCE COMPANIES. Insurance corporations for the transaction of the kinds of business authorized and permitted by section 60.29, subdivision 1, clause (4), and subject to these provisions and limitations, may be formed having a capital stock, but which shall be controlled by the votes of both stockholders and participating policyholders. All such companies shall be known as stock and mutual companies. Corporations so formed shall have the right to make any contracts which insurance companies formed to transact the same kinds of business upon the stock plan or upon the mutual plan are authorized by law to make.

[1927 c. 54 s. 1] (3414-1)

61.44 APPLICATION. All provisions of law relating to stock companies and all such provisions relating to mutual companies shall, so far as applicable, relate to and govern such stock and mutual companies and the rights of stockholders and members thereof.

[1927 c. 54 s. 2] (3414-2)

61.45 RIGHTS OF STOCKHOLDERS. Each stockholder shall, at all meetings, be entitled to one vote for each share of stock held by him and, except as otherwise provided by law, each holder of a policy entitled to participate in profits or savings shall be a member and, as such, shall be entitled to the number of votes to which he would be entitled in a mutual company.

[1927 c. 54 s. 3] (3414-3)

61.46 EXISTING COMPANIES; AMENDMENT TO ARTICLES OF INCORPORATION. Any existing stock or mutual insurance company authorized to do the kinds of business referred to in section 61.43 may amend its articles of incorporation so as to become a stock and mutual company; provided, that no such amendment shall deprive any stockholder or member or policyholder of the right, at any and all meetings of stockholders and members or policyholders held thereafter, to cast as many votes for directors as are provided by the certificate of incorporation in force at the time of the adoption of such amendment, or by the law in force at such time. No such amendment shall be construed to change the identity of the corporation and it shall thereafter continue to be governed by the laws applicable thereto at the time of such amendment and as amended hereafter and not inconsistent with sections 61.43 to 61.46, as well as those relating to the added characteristic of capital stock or mutuality which it shall have acquired by such amendment.

[1927 c. 54 s. 4] (3414-4)

61.47 COOPERATIVE LIFE AND CASUALTY COMPANIES. Every corporation, society, or association which issues a certificate or policy or makes an agreement with its members by which, upon the decease of a member, any money is to be paid to, or benefit conferred upon, the legal representatives or designated beneficiaries of such member, or reaching a certain age, to pay any money or benefit to him, such money or benefit to be derived from voluntary donations, admission fees, dues, or assessments to be collected from its members or any class thereof, and which reserves the right to make any additional assessments, or without the consent of the certificate or policyholder to increase the premium named therein, shall be deemed to be engaged in the business of life insurance upon the cooperative or assessment plan. Every corporation which likewise agrees, in case of accident, sickness, or other physical disability, or reaching a certain age, to pay money or confer benefits likewise derived and issuing certificates or policies with similar conditions with reference to the payment of dues or assessments, shall be deemed to be engaged in the business of casualty insurance upon the cooperative or assessment plan, and shall, except as herein otherwise specified, be subject to the provisions of sections 61.47 to 61.50 and 61.52 to 61.58.

[1907 c. 318 s. 1] (3428)

61.48 QUALIFICATIONS FOR LICENSE; NUMBER OF MEMBERS. No corporation not now authorized to transact business in this state shall be licensed to transact the business of life or casualty insurance, or both, upon the cooperative or assessment plan, until at least 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, 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 \$10,000; provided, that any such corporation which has heretofore procured and filed with the commissioner 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; provided, such a corporation that confines its membership exclusively to the members of volunteer fire departments shall be required to have not less than 100 individual applications, in writing, from persons eligible to membership and the sum of at least \$1,000, which amount shall be liable only for death or indemnity claims made under its policy or membership certificate contracts.

[1907 c. 318 s. 2; 1927 c. 238; 1931 c. 287] (3429)

61.49 RESERVE FUND; RECIPROCAL PROVISIONS. Every domestic cooperative life or casualty corporation, society or association, except fraternal beneficiary association, which issues a certificate or policy, or makes an agreement with its members, by which, upon the decease of a member, more than \$200.00 is to be paid to, or benefit conferred upon, the legal representatives or designated beneficiary of such member, shall set aside ten per cent of its gross premium receipts or assessments each year, as a reserve, until the same, together with any reserve already accumulated, shall amount to the sum of \$25,000.

Every domestic cooperative or assessment company transacting the business of life and health and accident insurance, which does not issue health and accident policies providing indemnity for disability from accident or disease in excess of \$750.00 on account of any one accident or illness, nor issues policies providing indemnity for disability from accident or illness in excess of \$750.00 on account of any one accident or illness and death indemnity of more than \$200.00, shall set aside as a reserve ten per cent of its gross premium receipts or assessments each year until the same, together with any reserve already accumulated, shall amount to \$2,000, and shall thereafter set aside as a reserve five per cent of its gross premium receipts or assessments each year until the same, together with any reserve already accumulated, shall amount to \$25,000.

Every domestic cooperative or assessment life insurance corporation, society or association, which issues a certificate or policy, or makes an agreement with its members, by which, upon the decease of a member, a funeral benefit is to be paid or funeral service is to be furnished, not exceeding \$200.00 in amount or value, shall set aside ten per cent of its gross premium receipts or assessments each year as a reserve, until the same, together with any reserve already accumulated, shall amount to the sum of \$5,000, which reserve fund, accumulated as herein provided, shall be deposited with the commissioner for the benefit of all its policyholders.

This deposit may consist of securities of the class in which insurance companies are authorized to invest under the laws of this state, and the company depositing the same shall be entitled to the income derived from the securities. No foreign insurance company upon the cooperative or assessment plan shall be permitted to transact business in this state unless it makes the deposit hereinbefore required of domestic companies, except that where, by the laws of the state under which the foreign company is organized, it is permitted to, and actually does, maintain for the benefit of all its policyholders a deposit with some proper officer of that state of an amount equal to the deposit required by sections 61.47 to 61.50 and 61.52 to 61.58; the deposit with the other state shall be a sufficient compliance with the provisions of this section. No deposit of securities, other than that herein provided for, shall be required of any such cooperative or assessment company. Any company transacting the business of life insurance upon the cooperative or assessment plan, and creating and maintaining a greater reserve than herein provided for, may elect, by written stipulation, filed with the commissioner, to keep on deposit with the commissioner its entire reserve and special benefit funds, other than mortuary funds; and thereafter the entire reserve and special benefit funds shall be deposited with the commissioner in securities of like character and upon the same terms as provided herein for the deposit of the reserve required by this section.

[1907 c. 318 s. 3; 1911 c. 211 s. 1; 1915 c. 365 s. 1] (3430)

61.50 PAYMENTS; LIENS; ASSESSMENTS; POLICIES TO BE LABELED. No cooperative or assessment life insurance company shall hereafter issue any policy in this state which does not provide for the payment of a fixed minimum sum, which may be increased each year the insurance remains in force, in the amounts to be provided in the policy. Any agreement or by-law providing for the placing of a lien upon such policy, except for non-payment of premium or assessment, and any agreement or by-law providing for the payment of a less sum than the minimum sum specified in the contract, because of the failure of the corporation to receive or collect the amount in the contract by assessment upon the surviving members, shall be void. Nothing in this section contained shall be so construed as to render any member liable for more than one assessment for each death occurring during his period of membership, unless otherwise specified in the policy. All policies issued by the company shall contain a title including the word "assessment" on the face and on the back of the policy correctly describing the same.

This section shall not apply to any existing domestic company until it has been in existence for four years.

[1907 c. 318 s. 4] (3431)

61.51 ACCUMULATIONS; AMENDMENT TO ARTICLES OR BY-LAWS. Any insurance company heretofore transacting the business of life or casualty insurance upon the cooperative or assessment plan under any law of this state may, upon so providing in its articles or by-laws, elect to ascertain and apportion to its outstanding policies or certificates the respective accumulations upon each such policy or certificate, and to carry to the credit of each such policy or certificate the future net premiums or assessments and the accretions thereto, less its equitable contribution to the death claims and other benefits, and that the premiums or assessments upon any such policy or certificate may, upon such credit becoming exhausted, be increased as may be necessary to meet its share of death claims and other benefits, and that the holder of any such policy or certificate may be granted extended or paid-up insurance or the right to convert into any other form of policy or insurance then being issued by such company and to have the credit on such former policy or certificate applied to such new policy or insurance. When making the ascertainment and apportionment, account shall be taken of the premiums or assessments theretofore paid and of the death claims and other benefits which should be borne by the policy or certificate, of the interest earnings and other accretions to the accumulated funds, and of other matters which should equitably be taken into consideration for the purposes of the apportionment. Subject to such adjustment as shall be equitable, the experience of the company, or any table of mortality recognized for the purpose of insurance in any law of this state, may be used as a basis for the ascertainment and apportionment herein authorized; provided, that any company availing itself of the provisions of this section shall, in its articles or by-laws, specify the table of mortality and rate of interest which are to be the basis for the charges thereafter to be made to the policies or certificates aforesaid; and, provided, further, that when any table of mortality is specified in any policy that table shall be followed.

[1919 c. 371 s. 1] (3432)

61.52 LIMITATION ON EXPENSES; LIFE INSURANCE. Every corporation, as described in section 61.47, now or hereafter organized or admitted to transact the business of life insurance in this state, shall set aside and appropriate exclusively to its mortuary or benefit funds, including reserve or special benefit funds, not less than 65 per cent of all premium receipts and all interest earnings thereon upon such life insurance policies that shall have been in force one year or more, and the entire amount of receipts upon post-mortem assessment certificates, except the expense dues and charges therein provided. No such funds heretofore or hereafter so appropriated to such mortuary or benefit fund, including reserve or special benefit funds, shall ever be used for the expense of conducting such business; provided, that every such corporation which issues a certificate or policy or makes an agreement with its members, by which, upon the decease of a member, a funeral benefit is to be paid, or funeral service is to be furnished, not exceeding \$200.00 in amount or value, and which pays no accident, disability, or other benefits, shall set aside and appropriate exclusively to its mortuary or benefit funds, including reserve or special benefit funds, not less than 60 per cent of all premium receipts upon such insurance policies that shall have been in force one year or more, and the entire amount of receipts upon post-mortem assessment certificates, except the expense dues and charges therein provided. No such funds heretofore or hereafter so appropriated to such mortuary or benefit funds, including reserve or special benefit funds, shall ever be used for the expense of conducting such business.

The net accretions to the funds enumerated in this section derived from interest, rents, or other sources shall also be set aside and appropriated exclusively to the fund producing the net accretions.

[1907 c. 318 s. 5; 1913 c. 377 s. 1] (3433)

61.53 LIMITATION ON EXPENSES; COMPANIES WITH RESERVE DEPOSITS. No company, as described in section 61.47, transacting the business of casualty or health insurance in this state shall incur, lay out, or expend, in any one calendar year, as and for the expenses of conducting such business, more than its application or membership fees and 40 per cent of its total premiums or assessments. When any such company shall have on deposit with the commissioner a reserve of \$25,000, as provided by law, then and thereafter the company may expend,

in addition to the 40 per cent, the interest earnings on the reserve fund and the interest on any additional surplus funds it may accumulate.

Any officer of any corporation violating, or consenting to the violation of, this section or section 61.52 shall be guilty of a gross misdemeanor.

[1907 c. 318 s. 6; 1927 c. 336] (3434)

61.54 NET RATES; RESERVE FUND; LIMITATION OF EXPENSES. No corporation hereafter organized to transact the business of life insurance upon the cooperative or assessment plan, and no such corporation not already admitted to transact business in this state, shall hereafter be licensed to transact such life insurance business in this state unless it shall, by its charter, by-law and policy or certificate contracts, provide for and actually charge and collect from its members, for and on account of the insurance furnished to them, net rates which are at least equal to the rates known as the national fraternal congress rates, with four per cent interest. When any such corporation has adopted the use of a net rate not less than the national fraternal congress table of mortality and interest at the rate of four per cent, on the full preliminary term plan, and shall set aside the net premium to its mortuary or benefit funds, including reserve or special benefits, for the use and benefit of its members, such corporation shall, on all premiums or assessments collected from and after January 1, 1927, be exempt from the provisions of sections 61.52 and 61.49; but it shall keep on deposit, for the use and benefit of all its policyholders, an amount equal to the value of its individual policies, as shown by its annual statement each year, with the commissioner, until the same shall amount to the sum of \$25,000. The accretions to the various funds derived from interest, rents, or other sources, less expense incidental to investment supervision, shall also be set aside and appropriated to the fund producing the accretions. Gain from lapses, savings in mortality, surrenders, and changes shall revert to the expense fund. Policies issued by such corporation may contain a provision that in event of default in premium payments, after premiums shall have been paid for three years, shall secure to the owner of the policy a stipulated form of insurance, the net value of which shall be at least equal to the reserve at the date of default on the policy and on any dividend additions thereto, specifying the mortality table and the rate of interest adopted for computing such reserve, less a sum not more than two and one-half per cent of the amount insured by the policy, and of any existing dividend additions thereto, and less any existing indebtedness to the company on the policy; and that the policy may be surrendered to the company, at its home office, within one month from date of default for a specified cash value at least equal to the sum which would otherwise be available for the purchase of insurance, and shall stipulate that the company may defer payment for not more than six months after the application therefor is made. This provision shall not be required in term insurance of 20 years or less. Such corporation shall value its policies at the end of each calendar year and show in its annual statement as a reserve liability the amount of such valuation. If infantile insurance is written, it may be valued on the table known as Craig's extension below age ten.

[1907 c. 318 s. 7; 1927 c. 41; 1933 c. 216] (3435)

61.55 REINSURANCE OR CONSOLIDATION. Any corporation, association, or society organized or authorized to transact business under the provisions of sections 61.47 to 61.50 and 61.52 to 61.58 may, by contract of reinsurance, assume the risks of any other similar corporation, association, or society engaged in the business of life or casualty insurance, or both, only on the following conditions:

(1) That both the corporations, associations, or societies which propose to enter into the reinsurance contract, shall be, upon the date of reinsurance, duly authorized under the provisions of sections 61.47 to 61.50 and 61.52 to 61.58 to transact business in this state;

(2) That the contract of reinsurance shall have previously been submitted to the commissioner and the attorney general and received the approval of the commissioner duly endorsed thereon;

(3) That the corporation, association, or society, which proposes to reinsure and retire, shall have been thoroughly examined by the commissioner within six months of the date of the proposed consolidation or reinsurance; provided, that, in the judgment of the commissioner, the consolidation or reinsurance can in no way impair the solvency of the corporation, association, or society which proposes to reinsure and assume the business and affairs of the corporation, association, or society contemplating reinsurance and retirement;

(4) That the contract of reinsurance shall have been approved by a majority vote of all the members of the corporation, association, or society, which proposes to reinsure and retire, present in person or by proxy, at any regular meeting thereof, or at any special meeting thereof called to consider the same; and, that a written or printed notice of the purpose of the corporation, association, or society to reinsure shall have been mailed to each of its members at least 30 days prior to the date fixed for the meeting.

When the members of any such corporation, association, or society shall have so voted to reinsure and retire, its officers and the officers of the corporation, association, or society which proposes to assume the risks and other obligations are hereby authorized to enter into and consummate the contract of reinsurance as submitted and approved and to do and perform all other acts necessary to the final and complete consolidation or reinsurance. The retiring corporation, association, or society shall turn over all its property, securities, moneys, and other assets to the corporation, association, or society reinsuring and assuming its obligations, to become the sole and absolute property thereof. The actual and reasonable expenses and costs incident to proceedings under the provisions of this section may be paid by the companies so consolidating or reinsuring, and an itemized and verified statement of these expenses, together with proper vouchers for each of the same, shall be filed with the commissioner. No officer of any such company, nor any employee of the state, shall receive any compensation, gratuity, employment, or other promise or thing of value, directly or indirectly, for in any manner aiding, promoting, or assisting in the consolidation or reinsurance. Any officer or director of any company which is a party to the agreement of reinsurance herein provided for, who shall receive any compensation or gratuity for aiding or promoting or consenting to the contract, shall be guilty of larceny; and any other person guilty of wilfully violating, or consenting to the wilful violation of, the provisions of sections 61.47 to 61.50 and 61.52 to 61.58, shall be guilty of a gross misdemeanor.

[1907 c. 318 s. 8] (3436)

61.56 MAY CHANGE TO LEGAL RESERVE OR LEVEL PREMIUM COMPANIES. Any corporation, association, or society, as described in section 61.47, may, with the written consent of the commissioner, upon a majority vote of its governing body, amend its articles of incorporation and by-laws in such manner as to transform itself into a legal reserve or level premium insurance company and, upon so doing and upon procuring from the commissioner a certificate of authority, as provided by law, to transact business in this state as a legal reserve or level premium company, shall incur the obligations and enjoy the benefits thereof, the same as though originally thus incorporated, and this corporation, under its charter, as amended, shall be a continuation of the original corporation, and the officers thereof shall serve through their respective terms, as provided in the original charter, but their successors shall be elected and serve as in the amended articles provided; but the amendment or reincorporation shall not affect existing suits, rights, or contracts. Any corporation, association, or society so reincorporated to transact the business of life insurance, shall, unless a higher method of valuation be provided for in its policy, or certificates of membership previously written, value its assessment policies or certificates of membership previously written as yearly renewable term policies, according to the standard of valuation of life insurance policies prescribed by the laws of this state.

[1907 c. 318 s. 9] (3437)

61.57 EXEMPTION FROM TAXATION. Section 60.63 shall not apply to any corporation, association, or society engaged in the business of life insurance upon the cooperative or assessment plan, or to any such corporation, society, or association engaged in the business of casualty insurance upon the cooperative or assessment plan, as defined in section 61.47.

[1907 c. 318 s. 10] (3438)

61.58 REPEALS. Sections 60.53 and 60.55 to 60.58, and all other laws and parts of laws, in so far as they may be inconsistent with sections 61.47 to 61.50 and 61.52 to 61.58, shall not apply to corporations transacting the business of life or casualty insurance solely upon the cooperative or assessment plan, as defined in sections 61.47 to 61.50 and 61.52 to 61.58.

[1907 c. 318 s. 11] (3439)

61.59 INSOLVENCY. In case any cooperative or assessment life, endowment, or casualty insurance association or society is adjudged insolvent, the balance of

its reserve fund, if any, after payment of claims and other indebtedness, shall be paid to the commissioner and by him paid into the state treasury.

[1885 c. 184 s. 19; 1899 c. 344; R. L. s. 1704] (3441)

61.60 RESERVE REQUIRED. No casualty company or association organized under the cooperative or assessment laws of this state not having a reserve of at least \$25,000 on deposit with the commissioner shall issue policies or contracts providing for the payment of endowments of any kind.

[1915 c. 318 s. 1] (3442)

61.61 COMMERCIAL TRAVELER INSURANCE COMPANIES. Any domestic assessment, health or accident association now licensed to do business in this state, which confines its membership to commercial travelers, professional men, and others whose occupation is of such character as to be ordinarily classified as no more hazardous than commercial travelers, and which does not pay any other commissions or compensations, other than prizes to members of nominal value in proportion to the membership fees charged for securing new members, may issue certificates of membership, which, with the application of the member and the by-laws of the association, shall constitute the contract between the association and the member. A printed copy of the by-laws and a copy of the application shall be attached to the membership certificate when issued, and a copy of any amendment to the by-laws shall be mailed to the members following their adoption. Certified copies of certificate, by-laws and amendments shall be filed with the commissioner of insurance and subject to his approval. The by-laws shall conform to the requirements of chapter 62, so far as applicable, and wherever the word "policy" appears in chapter 62, it shall, for the purpose of this section, be construed to mean the contract as herein defined.

[1913 c. 410 s. 1; 1917 c. 183 s. 1; 1939 c. 216] (3443)