

CHAPTER 67

INSURANCE DIVISION; TOWNSHIP MUTUAL COMPANIES

Sec.		Sec.	
67.01	Town companies; property insurable	67.29	Non-payment of premiums; policies suspended or canceled
67.02	Officers	67.30	Fire or lightning insurance only
67.03	Effect of application, who may accept	67.31	Advance assessments
67.04	Report to commissioner; cash premium	67.32	Joint or partial risks
67.05	Joint or partial risks	67.33	Reinsurance
67.06	Emergency fund	67.34	Applications, who may accept
67.07	Losses; notification; agreement	67.35	Classification of property
67.08	Classification of property; assessments	67.36	Losses; adjustment
67.09	What property insurable	67.37	Annual meeting
67.10	Non-resident members; withdrawal, notice	67.38	Fees
67.11	Farmers' mutual fire companies	67.39	What companies may come under Laws 1909, Chapter 411
67.12	Township mutual fire insurance companies	67.40	Application of Laws 1909, Chapter 411
67.13	Certificate of incorporation; contents	67.41	Consolidation
67.14	Approval	67.42	Examination by commissioner
67.15	Powers of corporation	67.43	Fraudulent statements
67.16	Agreements for fire protection	67.44	Mutual insurance companies for insuring horses and cattle
67.17	Grain in sealed containers insured	67.45	Mutual reinsurance or guarantee associations
67.18	By-laws	67.46	Filing of articles or resolutions
67.19	By-laws, where filed	67.47	Members may withdraw
67.20	Corporate existence, limited	67.48	Corporate powers
67.21	Corporate existence, perpetual	67.49	Selection of directors
67.22	Certificate, amendments of	67.50	Perpetual existence
67.23	Principal place of business, location changed	67.51	Assessments to be paid
67.24	Board of directors	67.52	Annual statement
67.25	Treasurer, bonds	67.53	Fees to be paid
67.26	Investments and loans	67.54	Commissioner to have supervision
67.27	What may be insured		
67.28	Membership terminated; annulment and cancellation of policies		

**67.01 TOWN COMPANIES; PROPERTY INSURABLE.** The incorporators of a town insurance company shall not be less than 25 in number residing in towns adjoining that in which its principal place of business is situated or separated by not more than one town therefrom and owning in the aggregate movable property worth at least \$50,000. Every such company may insure, for a term not exceeding five years, farm property in any part of any county in which any of its incorporators reside. It shall not operate in more than 50 towns in the aggregate at the same time.

[R. L. s. 1657] (3635)

**67.02 OFFICERS.** Every company so formed shall choose of their number not less than five, nor more than nine, directors to manage the affairs of the company, who shall hold their office for such period as may be fixed by the by-laws of the company not exceeding three years and until their successors are elected and have qualified; and these directors shall choose one of their number president, one vice-president, and one secretary; they shall choose a treasurer, who may or may not be a member of the board, but shall be a member of the company. The treasurer shall give bonds to the company in such sum as the directors shall determine, to be approved by the president and the secretary, and the directors may authorize the treasurer to loan on first real estate securities such sums of money in his hands as they may determine, or authorize him to deposit any or all sums of money in his hands as such treasurer in such banks as they may designate. The articles of incorporation of the company may provide that the president, the vice-president, the secretary, and the treasurer may be chosen by the direct vote of the members at the annual meeting. In this case, the election of these persons as president, vice-president, and secretary shall constitute them members of the board of directors and the remaining members of the board shall be elected as above provided.

[1875 c. 83 s. 2; 1897 c. 164 s. 2; 1901 c. 172 s. 1; 1905 c. 284 s. 1] (3636)

**67.03 EFFECT OF APPLICATION; WHO MAY ACCEPT.** The president and the secretary of the company may accept all applications and sign and issue policies agreeing, in the name of the company, to pay all losses and damages, not exceeding the sums named in the policies, sustained by reason of fire or lightning, for the term therein specified, and every application for insurance made to any authorized officer or agent, until refused by the proper officer, shall be of the same force and

effect as a regularly issued policy and contract of insurance and, from the time of its receipt by an officer or agent, the property specified in the application shall be deemed insured in the same manner and to the same extent as if covered by a regular policy issued according to law and the regulations of the company. There shall be no liability on the application against any company that has not at any annual or special meeting by proper resolution adopted the plan of making these applications of equal force and effect with regularly issued policies.

[R. L. s. 1658] (3637)

**67.04 REPORT TO COMMISSIONER; CASH PREMIUM.** The annual meeting shall be held before July first each year and the annual report shall then be read in full and within 30 days thereafter filed with the commissioner. Before the delivery of any policy the company shall collect the regular cash premium and policy fee and take the written agreement of the insured, of even date therewith, which shall be embodied in his application, to pay a pro rata share of losses or damages sustained by any member. The same shall be kept on file with the secretary.

[R. L. s. 1659] (3638)

**67.05 JOINT OR PARTIAL RISKS.** These town insurance companies may issue joint or partial risks in conjunction with adjoining companies of the same class, and in this case they are not confined to the towns in which they are otherwise authorized to do business; but no such insurance of a joint or partial risk shall be valid or binding upon the company insuring the same until approved by all the companies holding prior risks on the property so insured, and the total amount of joint insurance on any one piece of property shall in no case exceed the total percentage of its value for which the property is insurable by the company.

[R. L. s. 1660] (3639)

**67.06 EMERGENCY FUND.** The directors of any such company may collect, by advance assessment and maintain in its treasury an emergency fund, not exceeding two mills on a dollar of the total amount of insurance in force, to be used in payment of losses and for other purposes for which assessments may be used.

[R. L. s. 1661] (3640)

**67.07 LOSSES; NOTIFICATION; AGREEMENT.** Every member sustaining loss or damage by fire or lightning shall immediately notify the secretary, who, if the claim exceeds \$300.00, may forthwith convene the directors. The directors shall appoint a committee of three members, of which the secretary shall be one, to ascertain the amount of the loss, with authority to examine witnesses, to whom the secretary is hereby authorized to administer oaths. When the by-laws so provide, he may act in place of, and with all the authority of, the committee; and when the claim does not exceed \$300.00, the loss may be ascertained by the president and secretary, or either, with like authority. If the parties cannot agree upon the damages, the insured may apply to a judge of the district court of the county, who may appoint three disinterested persons, who shall make an award which shall be final, and deliver the same to the company.

[R. L. s. 1662] (3641)

**67.08 CLASSIFICATION OF PROPERTY; ASSESSMENTS.** Every such company may classify property insured under different rates, corresponding as nearly as possible to the greater or less risk from fire by reason of location or construction, and issue its policies in accordance with such differences. When any loss shall be ascertained which exceeds in amount the cash funds of the company, the secretary, or, in his absence, the president, shall convene the directors, who shall levy an assessment upon each policyholder for the proportionate amount which he should pay to cover this excess; or the company may borrow not to exceed two mills on each dollar of insurance written by it and then in force, and from that fund pay these losses, and afterwards levy assessments to pay the loans. If the fund for the payment of expenses is insufficient, the amount of the deficiency may be added to any assessment.

[R. L. s. 1663] (3642)

**67.09 WHAT PROPERTY INSURABLE.** Every such company shall insure only dwellings and their contents, farm buildings and contents, live stock, hay and grain in the bin and stack, churches, school houses, country blacksmith shops and barns, and society and town halls. It shall not insure property within the limits of any city or village, except that located upon lands actually used for farming or gardening purposes. When the dwelling house of any person insured is within the limits of

a town where the company is authorized to do business, and the farm upon which the dwelling is situated is partly within and partly without the town, it may include in the insurance any outbuildings, hay, grain, stock, or other farm property on the farm outside of such limits.

[R. L. s. 1664] (3643)

**67.10 NON-RESIDENT MEMBERS; WITHDRAWAL; NOTICE.** Non-residents owning property in any town may become members, with all rights except eligibility to office. Membership may be terminated at any time by giving written notice to the secretary and paying the withdrawing members' share of all existing claims, or by the annulment of any policy by a majority of the directors and written notice thereof to the holder. In either case the secretary shall record the same in a separate book.

[R. L. s. 1665; 1907 c. 209] (3644)

**67.11 FARMERS' MUTUAL FIRE COMPANIES.** The provisions of sections 67.01 to 67.11 shall apply to farmers' mutual fire insurance companies, save that its incorporators and members may reside and own insurable property, and its insurance be effected, anywhere in this state upon property of like character.

[R. L. s. 1666] (3645)

**67.12 TOWNSHIP MUTUAL FIRE INSURANCE COMPANIES.** It shall be lawful for any number of persons, not less than 25, residing in adjoining towns in this state, who shall collectively own property worth at least \$50,000, to form themselves into a company or corporation for mutual insurance against loss or damage by fire or lightning. No such company shall operate in more than 125 towns in the aggregate at the same time; provided, that when any such company confines its operations to one county it may transact business in the whole thereof by so providing in its certificate of incorporation.

[1909 c. 411 s. 1; 1915 c. 155 s. 1; 1923 c. 209 s. 1; 1931 c. 151; 1935 c. 269 s. 1; 1937 c. 316 s. 1] (3646)

**67.13 CERTIFICATE OF INCORPORATION; CONTENTS.** The persons who desire to form a township mutual fire insurance company, as defined in section 67.12, shall make, sign, and acknowledge before some officer competent to take acknowledgments of deeds a certificate of incorporation which shall specify:

- (1) The name;
- (2) The location of the principal office;
- (3) The general nature of the business;
- (4) The territory in which it desires to transact business;
- (5) Who may become members;
- (6) Source from which the corporate funds shall be derived;
- (7) The class of property it desires to insure;
- (8) In what board its management shall be vested;
- (9) The date of its annual meeting; and
- (10) The corporate existence.

It may contain any other lawful provision defining and regulating the powers or business of the corporation, its officers, directors, and members.

[1909 c. 411 s. 2] (3647)

**67.14 APPROVAL.** The certificate of every such corporation shall be presented to the commissioner for his approval and, if he approve of the same, he shall endorse thereon his approval and the certificate shall then be filed in his office and recorded in a book kept therein for that purpose. Upon the approval of the certificate and the filing of the same with the commissioner, the corporate organization of the incorporation shall be complete.

[1909 c. 411 s. 3] (3648)

**67.15 POWERS OF CORPORATION.** Every corporation formed under the provisions of sections 67.12 to 67.15, 67.18 to 67.20, 67.22 to 67.28, 67.30 to 67.32, and 67.34 to 67.43 shall have power:

- (1) To have succession by its corporate name for the time stated in its certificate of incorporation;
- (2) To sue and be sued in any court;
- (3) To have and use a common seal and alter the same at pleasure;
- (4) To acquire, by purchase or otherwise, and to hold, enjoy, improve, lease, encumber, and convey all real and personal property necessary for the purposes of its organization, subject to such limitations as may be imposed by law or by its articles of incorporation;

(5) To elect or appoint in such manner as it may determine all necessary or proper officers, agents, boards, and committees, fix their compensation, and define their powers and duties;

(6) To make and amend consistently with law by-laws providing for the management of its property and the regulation and government of its affairs; and

(7) To wind up and liquidate its business in the manner provided by law.

[1909 c. 411 s. 4] (3649)

**67.16 AGREEMENTS FOR FIRE PROTECTION.** The members of a township mutual fire insurance company may at any regular meeting or at any special meeting called for that purpose authorize its officials or directors to enter into an agreement with any municipal subdivision of the state, or with any fire department, whereby the fire department of the municipality shall respond to calls in case of fire in territory where the company does business, or respond to calls in case of fire on the premises of a member of the mutual company, on such terms and conditions as may be mutually agreed upon.

[1929 c. 139] (3649-1)

**67.17 GRAIN IN SEALED CONTAINERS INSURED.** In addition to the powers and privileges now conferred upon them by law, township mutual fire insurance companies organized under the provisions of sections 67.12 to 67.15, 67.18 to 67.20, 67.22 to 67.28, 67.30 to 67.32, and 67.34 to 67.43 are hereby authorized to insure against loss or damage by hail, windstorm, tornado, cyclone, and inherent explosion, for their members corn and other grain while stored in sealed containers in accordance with the regulations of the federal government.

[1935 c. 154; 1941 c. 131] (3649-2)

**67.18 BY-LAWS.** The first board of directors shall adopt by-laws, which shall remain effective until and except as amended by the members at any regular or special meeting called therefor.

[1909 c. 411 s. 5] (3650)

**67.19 BY-LAWS, WHERE FILED.** A copy of the by-laws of every such corporation, certified to by the president and the secretary of the corporation, shall be filed with the commissioner and any amendment to the by-laws shall within a reasonable time after the amendment shall have been adopted by the members of the corporation, certified to by its president and its secretary, be filed with the commissioner.

Every township mutual insurance company doing business within this state shall cause a copy of its by-laws to be certified to by its president and its secretary and file the same with the commissioner and thereafter every amendment to the by-laws of any township mutual insurance company heretofore organized, duly certified to by its president and its secretary, shall within a reasonable time after its adoption be filed in the office of the commissioner.

[1909 c. 411 s. 6] (3651)

**67.20 CORPORATE EXISTENCE, LIMITED.** Every corporation organized pursuant to sections 67.12 to 67.15, 67.18 to 67.20, 67.22 to 67.28, 67.30 to 67.32, and 67.34 to 67.43 shall be for a period not exceeding 30 years in the first instance and the corporate existence of any township mutual fire insurance company organized under the provisions of those sections, or any prior law, may be renewed from time to time for a further term, not exceeding 30 years, by adopting a resolution expressing the proposed renewal by a two-thirds vote of all its members present and voting at any regular meeting of the corporation or at any special meeting called for that purpose, the notice for which shall clearly specify the object of the meeting.

When any such resolution for renewal thereof shall be adopted the same shall not take effect until a copy, duly certified to by the president and the secretary of the corporation, under its corporate seal, if it have one, shall have been approved, filed, and recorded in the same manner as is provided herein in case of the original certificate of incorporation.

[1909 c. 411 s. 7; 1913 c. 80 s. 1] (3652)

**67.21 CORPORATE EXISTENCE, PERPETUAL.** The corporate existence of any township mutual fire insurance company heretofore or hereafter organized may be made perpetual by so providing in its articles of incorporation.

[1917 c. 228 s. 1] (3653)

**67.22 CERTIFICATE, AMENDMENTS OF.** The certificate of incorporation of any township mutual fire insurance company may be amended in respect to any matter which the original certificate of incorporation might lawfully have contained,

or which is authorized by the provisions of sections 67.12 to 67.15, 67.18 to 67.20, 67.22 to 67.28, 67.30 to 67.32, and 67.34 to 67.43, by the adoption of a resolution, specifying the proposed amendment, at the regular meeting, or a special meeting called for that expressly stated purpose, by a majority vote of its members present and voting; or by a majority vote of its entire board of directors, within one year after having been thereby duly authorized by a specific resolution duly adopted at such meeting of the members, and by causing the resolution to be embraced in a certificate duly executed by its president and secretary under the corporate seal of the company, if it have one, and approved, filed, and recorded in the manner prescribed by such sections for the approval, filing, and recording of the original certificate.

[1909 c. 411 s. 8; 1913 c. 80 s. 2] (3654)

**67.23 PRINCIPAL PLACE OF BUSINESS, LOCATION CHANGED.** Any township mutual fire insurance company heretofore or hereafter organized under the laws of this state may, at any regular annual meeting of its members, or any special meeting called for that purpose, by a majority vote of those present, amend its certificate or articles of incorporation so that the business office of the company may be located in any town, or any city or village in any town in which the company is authorized to do business.

[1909 c. 411 s. 9] (3655)

**67.24 BOARD OF DIRECTORS.** Each company shall choose of its members no less than five, and not more than nine, directors to manage the affairs of the company, who shall hold their office for such period as may be fixed by the by-laws of the company, not exceeding three years, and until their successors are elected and qualified. These directors shall choose one of their number as president, one as vice-president, and one as secretary; they shall also choose a treasurer, who may or may not be a member of the board, but must be a member of the company. The offices of secretary and treasurer may be held by the same person. The certificate or articles of incorporation of the company may provide that the president, vice-president, secretary, and treasurer may be chosen by the direct vote of the members of the company at the annual meeting.

In this case, the election of these persons as president, vice-president, and secretary shall constitute them members of the board of directors and the remaining members of the board shall be elected as above provided.

Every woman being a member of any such insurance company may be represented at any regular meeting or special meeting of the members thereof by any person duly appointed, in writing, as her proxy, and the proxy so appointed shall have full power to represent the member as fully as if she were personally present at the meeting.

[1909 c. 411 s. 10; 1939 c. 235] (3656)

**67.25 TREASURER, BONDS.** The treasurer of the company shall give such bonds to the company in such sum as the directors shall determine, to be approved by the president and secretary.

[1909 c. 411 s. 11] (3657)

**67.26 INVESTMENTS AND LOANS.** The directors may authorize the treasurer to invest any of its funds and accumulations in the bonds of the United States or of this state, or any county, city, town, or village, or duly authorized school district therein, or in any municipal or civil division of any state, and may loan upon improved unencumbered real property in this state worth at least twice the amount loaned thereon, not including buildings, unless insured by policies payable to and held by the security holder, or authorize him to deposit any and all sums of money in his hands in such banks as they may designate.

[1909 c. 411 s. 12; 1925 c. 142] (3658)

**67.27 WHAT MAY BE INSURED.** Subdivision 1. **Kinds of property.** No township mutual fire insurance company heretofore organized and no company organized pursuant to sections 67.12 to 67.15, 67.18 to 67.20, 67.22 to 67.28, 67.30 to 67.32, and 67.34 to 67.43 shall insure any property outside of the limits of the towns in which the company is authorized by its certificate or articles of incorporation to transact business, except personal property temporarily outside of the authorized territory and except as hereinafter further provided, nor shall any township mutual fire insurance company insure any property other than dwellings and their contents, farm buildings and their contents, live stock, farm machinery, automobiles, country store buildings and the household goods therein, threshing machines, farm produce

anywhere on the premises, churches and their contents, school houses and their contents, society and town halls and their contents, country blacksmith shops and their contents, parsonages and their contents and the barns and contents used in connection therewith, creameries, cheese factories and their equipment and contents and respective operators' dwelling houses and contents and barns and contents used in connection therewith, and dwellings, together with the usual outbuildings and the usual contents of both these dwellings and outbuildings, in any city, village, or borough of 1,250 or less inhabitants, and any county poor farm together with contents and such personal property as is used in connection therewith, and which real property, contents, and personal property are situated in the county wherein these township mutual fire insurance companies are operating; provided, when at a duly called special or annual meeting of the policyholders it shall be duly decided by them by a majority vote to do so.

**Subdivision 2. What may not be insured.** Otherwise than as hereinbefore provided no such company shall insure any property within the limits of any city or village except that located upon lands actually used for farming or gardening purposes, but when the dwelling of any person insured is within the limits of a town where the company is authorized to do business and the farm on which the dwellings are situated is partly within and partly without the town it may include in this insurance any outbuildings, farm produce, stock, or other farm property on the farm outside of such limits. Any such company is hereby authorized to insure county fair buildings whether the same are situated either within or without the limits of a duly incorporated village or city.

**Subdivision 3. Application expressly stated.** No law relating to insurance companies now in force in this state shall apply to township mutual fire insurance companies unless it shall be expressly designated in the law that it is applicable to these companies.

[1909 c. 411 s. 13; 1913 c. 80 s. 3; 1915 c. 107 s. 1; 1923 c. 338 s. 1; 1931 c. 269; 1933 c. 52; 1933 c. 421; 1935 c. 104; 1941 c. 155] (3659)

**67.28 MEMBERSHIP TERMINATED; ANNULMENT AND CANCELATION OF POLICIES.** Any member may terminate his membership in the company by giving written notice to the secretary and paying the withdrawing member's share of all existing claims. Non-residents owning property in any town where any such company is authorized to do business may become a member with all the rights thereof except eligibility to office. The board of directors may by a majority vote thereof annul and cancel any policy after giving not less than ten days' written notice to the insured by registered mail to the last known address of the insured and to any mortgagee to whom the policy is made payable. In case of annulment of any policy, the action of the board of directors shall be recorded in the minutes of the meeting of the directors.

[1909 c. 411 s. 14; 1927 c. 100 s. 1] (3660)

**67.29 NON-PAYMENT OF PREMIUMS; POLICIES SUSPENDED OR CANCELED.** The secretary may, if the by-laws of the company so provide, suspend or cancel any policy for the non-payment of premium or assessment after giving not less than ten days' written notice to the insured, by registered mail, to the last known address of the insured, and to any mortgagee to whom the policy is made payable.

[1927 c. 100 s. 2] (3660-1)

**67.30 FIRE OR LIGHTNING INSURANCE ONLY.** A township mutual fire insurance company shall insure only against loss or damage by fire or lightning, and it shall not issue any policy for a term of more than five years.

[1909 c. 411 s. 15] (3661)

**67.31 ADVANCE ASSESSMENTS.** The directors of any such company may collect by advance assessments, and maintain in its treasury, an emergency fund, not exceeding five mills on a dollar, to the total amount of insurance in force, to be used in payment of losses and for other purposes for which assessments may be used.

[1909 c. 411 s. 16; 1931 c. 63] (3662)

**67.32 JOINT OR PARTIAL RISKS.** These town insurance companies may issue joint or partial risks in conjunction with adjoining companies of the same class and, in this case, they are not confined to the towns in which they are otherwise authorized to do business; but no such insurance of a joint or partial risk shall be valid or binding upon the company insuring the same until approved by all the

companies holding prior risks on the property so insured, and the total amount of the joint insurance on any one piece of property shall in no case exceed the total percentage of its value for which the property is insurable by the company.

[1909 c. 411 s. 17] (3663)

**67.33 REINSURANCE.** Township mutual fire insurance companies may enter into reinsurance agreements with other township mutual fire insurance companies and reinsure a portion of any risk with these companies. In these cases they shall not be confined to the territory in which they are writing direct business.

[1927 c. 271] (3663-1)

**67.34 APPLICATIONS, WHO MAY ACCEPT.** The president and secretary of a company may accept all applications and sign and issue policies, agreeing in the name of the company to pay all losses and damages, not exceeding the sums named in the policies, sustained by reason of fire or lightning, for the term therein specified, and every application for insurance made to any authorized officer or agent, until refused by the proper officer, shall be of the same force and effect as a regularly issued policy and contract of insurance, and from the time of its receipt by an officer or agent, the property specified in the application shall be deemed insured in the same manner and to the same extent as if covered by a regular policy issued according to law and the regulations of the company; provided, that there shall be no liability on the application against any company that has not, at any annual or special meeting, by proper resolution, adopted the plan of making these applications of equal force and effect with regularly issued policies.

Before the delivery of any policy, the company shall collect regular cash premium and policy fee and take the written agreement of the insured of even date therewith, which shall be embodied in his application, to pay a pro rata share of losses or damages sustained by any member.

The same shall be kept on file with the secretary.

[1909 c. 411 s. 18] (3664)

**67.35 CLASSIFICATION OF PROPERTY.** Every such company may classify property insured under different rates, corresponding as nearly as possible to the greater or less risk from fire by reason of location or construction, and issue its policies in accordance with these differences. When any loss shall be ascertained which exceeds in amount the cash funds of the company, the secretary, or, in his absence, the president, shall convene the directors, who shall levy an assessment upon each policyholder for the proportionate amount which he should pay to cover this excess; or the company may borrow not to exceed two mills on each dollar of insurance written by it and then in force, and from this fund pay these losses, and afterwards levy assessments to pay the loans.

If the fund for the payment of expenses is insufficient, the amount of the deficiency may be added to any assessment.

Suits at law may be brought against any member of the company who shall refuse or neglect to pay any assessment made upon him, and the directors of any company so formed who shall wilfully neglect or refuse to perform the duties imposed upon them by law shall be liable in their individual capacities to the person sustaining the loss.

It shall be the duty of the secretary, when the assessment shall have been completed, to immediately notify every person composing the company, by letter sent to his usual post-office address, of the amount of the loss, and the sum due from him as his share thereof, and of the time when and to whom the payment is to be made, but this time shall not be less than 60, nor more than 90, days from the date of the notice, and every person designated to receive this money may demand and receive two per cent in addition to the amount due on the assessment, as aforesaid, for his fees in receiving and paying over the same.

[1909 c. 411 s. 19] (3665)

**67.36 LOSSES; ADJUSTMENT.** Every member sustaining loss or damage by fire or lightning shall immediately notify the secretary, who, if the claim exceeds \$300.00, may forthwith convene the directors.

The directors shall appoint a committee of three members, of whom the secretary shall be one, to ascertain the amount of the loss, with authority to examine witnesses, to whom the secretary is hereby authorized to administer oaths.

When the by-laws so provide, he may act in place of, and with all the authority of, the committee; and when the claim does not exceed \$300.00, the loss may be ascertained by the president and secretary, or either, with like authority.

In case of failure of the parties to agree as to the amount of loss, it is mutually agreed that the amount of the loss shall be referred to three disinterested men, the company and the insured each choosing one, the third to be selected by the two so chosen.

The award, in writing, by a majority of the referees, shall be conclusive and final upon the parties as to the amount of loss or damage, and this reference, unless waived by the parties, shall be a condition precedent to any right of action in law or equity, to recover for the loss; but no person shall be chosen to act as referee against the objection of either party who has acted in like capacity within four months.

The referees shall have full authority to examine witnesses and determine all matters of dispute, and shall make their award, in writing, to the president or secretary of the company. The referees shall each be allowed the sum of \$5.00 per day for each day's service so rendered, and the sum of ten cents per mile for every mile necessarily traveled in discharge of their duties, which shall be paid by the claimant, together with the fees of any witnesses who may have been called by the company, unless the award of the referees shall exceed the sum offered in liquidation of the loss or damage, in which case these expenses shall be paid by the company.

[1909 c. 411 s. 20; 1925 c. 56] (3666)

**67.37 ANNUAL MEETING.** The annual meeting of every such company shall be held before July first in each year, and the fiscal year of the company shall be from the first day of January to the thirty-first day of the following December.

The secretary shall prepare and read at the annual meeting a full report of the business of the company transacted during the previous fiscal year and, on or before February first, following the end of each fiscal year, the president and the secretary shall file with the commissioner a verified statement of the entire business and condition of the company, which statement shall contain such data and information in reference to the business of the preceding fiscal year as shall be required by the commissioner. The commissioner may at other times require any further statement that he may deem necessary to be made relating to the business of the company.

[1909 c. 411 s. 21] (3667)

**67.38 FEES.** There shall be paid to the commissioner and by him accounted for and paid to the state the following fees:

- (1) For filing certificate of incorporation, \$2.00;
- (2) For filing annual statement, \$1.00; and
- (3) For certificate of authority, annually, \$1.00.

[1909 c. 411 s. 22] (3668)

**67.39 WHAT COMPANIES MAY COME UNDER LAWS 1909, CHAPTER 411.** Any township mutual fire insurance company heretofore organized may exercise, after the passage of Laws 1909, Chapter 411, all of the rights conferred thereby that are within the powers and privileges of its certificate or articles of incorporation, or it may be reincorporated thereunder. No such company already organized shall be required to reincorporate thereunder in order to avail itself of the privileges thereof.

Every township mutual fire insurance company now doing business in this state shall have the right to continue transacting such business until the first day of March succeeding the passage thereof; and, if the commissioner is satisfied that the company is transacting its business in accordance therewith, he shall on the first day of each succeeding March issue a license to the company authorizing it to transact business until the first day of March following the date of the license.

[1909 c. 411 s. 23] (3669)

**67.40 APPLICATION OF LAWS 1909, CHAPTER 411.** Except as therein provided, all township mutual fire insurance companies heretofore or hereafter organized in this state shall be governed by Laws 1909, Chapter 411 and exempt from all provisions of the insurance laws of this state, not only in governmental relations with the state, but for every other purpose, and no law hereafter passed shall apply to the company unless it shall be expressly designated in the law that it is applicable to township mutual fire insurance companies.

[1909 c. 411 s. 24] (3670)

**67.41 CONSOLIDATION.** Two or more township mutual fire insurance companies of the same county, which have been or may hereafter be authorized to transact the business of fire insurance exclusively upon farm property, within the



same townships, or where one of the companies is authorized to and actually has transacted such insurance business in every town in which the other company is authorized to transact such business, may consolidate as a corporation in the manner provided in sections 67.12 to 67.15, 67.18 to 67.20, 67.22 to 67.28, 67.30 to 67.32, and 67.34 to 67.43.

To effect this consolidation, it shall be necessary:

(1) That the board of directors or managing body of each of the corporations pass a resolution to the effect that the consolidation is advisable and containing the proposed name of the corporation, as consolidated, its principal office, and the names of its first board of directors and officers;

(2) That a special meeting of the policyholders of each of the corporations shall be held, a notice of which meeting shall be mailed to each of the policyholders thereof at least 30 days prior to the holding thereof, and which notice shall embody the resolution adopted by the board of directors, as provided in clause (1);

(3) That a majority of the policyholders of each of the corporations present or represented at these special meetings shall, by resolution, approve and ratify the action of the directors, as provided for in clause (1);

(4) That the proceedings and resolutions be filed with the commissioner and approved of by him; and

(5) Complete copies of the proceedings, certified to by the president and secretary of the respective corporations, shall be filed with the town clerk in each of the towns in which the company proposes to transact business.

When full copies of these proceedings have been filed with the commissioner, which copies shall be certified by the president and secretary of the respective corporations and duly verified by these officers, and approved of by him, the consolidation of these corporations shall be deemed to be complete, and the company so continuing the business shall be deemed to have fully assumed all of the obligations, liabilities, and risks and to be the owner of all the assets of the companies so consolidating.

If this consolidation is made under any new name, the filing of these proceedings and the approval of same by the commissioner shall be sufficient to constitute the consolidated company a corporation, with all the powers and privileges, and subject to all the limitations, of a township mutual fire insurance company under the laws of this state.

[1909 c. 411 s. 25] (3671)

**67.42 EXAMINATION BY COMMISSIONER.** The commissioner, when requested by five or more members, shall make an examination of the affairs of any township mutual fire insurance company doing business within this state, and any such company so examined shall pay the actual expenses of the person making the examination.

When, after examination, the commissioner is satisfied that any such company has failed to comply with the provisions of sections 67.12 to 67.15, 67.18 to 67.20, 67.22 to 67.28, 67.30 to 67.32, and 67.34 to 67.43 or is exceeding its powers, or is not carrying out its contracts in good faith; or is transacting business fraudulently, or is in such condition as to render further proceedings hazardous to the public or its policyholders, he may present the facts relating thereto to the attorney general, who shall, if he deems the circumstances warrant, commence an action in quo warranto in a court of competent jurisdiction, and the court shall thereupon notify the officers of the company of a hearing, and, unless it shall then appear that some special and good reason exists why the company should not be closed, the company shall be enjoined from carrying on any further business, and some person shall be appointed receiver of the company and shall proceed at once to take possession of the books, papers, moneys, and other assets of the company and shall forthwith, under the direction of the court, proceed to close the affairs of the company and to distribute its funds to those entitled thereto.

[1909 c. 411 s. 26] (3672)

**67.43 FRAUDULENT STATEMENTS.** Any person, officer, or member who shall knowingly or wilfully make any false or fraudulent statement or representation in reference to any application for membership under sections 67.12 to 67.15, 67.18 to 67.20, 67.22 to 67.28, 67.30 to 67.32, and 67.34 to 67.43, or any false or fraudulent statement as to the transactions or condition of the company of which he is a member or officer, shall be guilty of a misdemeanor; and, upon conviction thereof,

punished by a fine of not more than \$100.00, or by imprisonment in the county jail for not more than 90 days, in the discretion of the court.

Any officer of any such company, or employee thereof, who shall neglect or refuse to comply with, or violates any of the provisions of, sections 67.12 to 67.15, 67.18 to 67.20, 67.22 to 67.28, 67.30 to 67.32, and 67.34 to 67.43, shall be guilty of a misdemeanor; and, upon conviction thereof, punished by a fine of not more than \$100.00, or by imprisonment in the county jail for not more than 90 days, in the discretion of the court.

[1909 c. 411 s. 27] (3673)

**67.44 MUTUAL INSURANCE COMPANIES FOR INSURING HORSES AND CATTLE.** It shall be lawful for any number of persons, not less than 25, residing in adjoining towns in this state, who shall collectively own property worth at least \$50,000, to form themselves into a company or corporation for mutual insurance against loss by death of horses and cattle, but no such company shall operate in more than 50 towns, in the aggregate, at the same time. Where any such company confines its operations to one county, it may transact business in the whole thereof by so providing in its certificate of incorporation. Companies may be organized on the mutual plan under this section for the purpose of insuring blooded or registered horses, cattle, hogs, sheep, or other live stock, and may do business in any ten adjoining counties of the state.

[1917 c. 332 s. 1; 1921 c. 169 s. 1] (3674)

**67.45 MUTUAL REINSURANCE OR GUARANTEE ASSOCIATIONS.** Not less than six duly licensed township mutual fire insurance companies or farmers' mutual fire insurance companies may organize a mutual association for the purpose of reinsuring specific risks, in such amounts as shall be fixed by the by-laws of the association, or for the purpose of reinsuring all risks of the member companies in excess of such amounts as shall be fixed by the by-laws of the association.

[Ex. 1919 c. 55 s. 1; 1921 c. 399 s. 1; 1931 c. 178 s. 1] (3675)

**67.46 FILING OF ARTICLES OR RESOLUTIONS.** The incorporation of this association shall be effected by filing with the commissioner and with the secretary of state a certificate of incorporation duly executed and acknowledged by the companies forming the association, these companies having been first duly authorized, by resolution duly adopted at a regular annual meeting, or at a special meeting called for that purpose, which certificate shall state, in substance, such facts as are required to be stated in certificates of incorporation by the general corporation laws of this state and shall have first been approved by the commissioner.

[Ex. 1919 c. 55 s. 2] (3676)

**67.47 MEMBERS MAY WITHDRAW.** Any member of the association may withdraw from membership upon giving 90 days' notice of its intention so to do when the withdrawal has been authorized by a majority vote of its members present and voting at a regular meeting or a special meeting called for that purpose. This withdrawal shall not in any way affect its liability to contribute to any losses or expenses which may have been incurred prior to the time of withdrawal.

[Ex. 1919 c. 55 s. 3; 1921 c. 399 s. 2] (3677)

**67.48 CORPORATE POWERS.** In addition to the powers conferred by sections 67.45 to 67.54, every such association shall have the corporate powers which are granted to corporations under the general corporation laws of this state.

[Ex. 1919 c. 55 s. 4] (3678)

**67.49 SELECTION OF DIRECTORS.** The directors of the association shall be chosen from the officers of its members and at its first meeting shall adopt by-laws, which shall be filed with the commissioner and shall not be effective until approved by him.

[Ex. 1919 c. 55 s. 5] (3679)

**67.50 PERPETUAL EXISTENCE.** The corporate existence of any such association may be made perpetual by so providing in its articles of incorporation.

[Ex. 1919 c. 55 s. 6] (3680)

**67.51 ASSESSMENTS TO BE PAID.** Member companies of any such association shall each year pay to the treasurer thereof such assessments as shall be fixed or authorized by the by-laws of the association, which assessments shall be based upon the amount of insurance of each of its member companies during the calendar year ending December 31st next preceding. The individual members of the member companies shall be subject to assessment in case the funds of the member companies are insufficient to pay any assessment made by the association to the same

extent and in the same manner as though the assessment by the association were to cover a loss by fire for which the member company was liable.

[*Ex. 1919 c. 55 s. 7; 1931 c. 178 s. 2*] (3681)

**67.52 ANNUAL STATEMENT.** Every such association shall file with the commissioner an annual statement and procure a certificate of authority as required by law of township mutual fire insurance companies.

[*Ex. 1919 c. 55 s. 8*] (3682)

**67.53 FEES TO BE PAID.** There shall be paid by the association to the commissioner and by him accounted for to the state the following fees:

- (1) For filing certificate of incorporation, \$2.00;
- (2) For filing annual statement, \$1.00; and
- (3) For certificate of authority, annually, \$1.00.

[*Ex. 1919 c. 55 s. 9*] (3683)

**67.54 COMMISSIONER TO HAVE SUPERVISION.** The certificate of incorporation and by-laws, forms of contracts and policies adopted or issued by every such association, and the general conduct of its affairs shall be subject to the general supervision and jurisdiction of the commissioner and the commissioner when requested by five or more members of the association shall make an examination of the affairs thereof at the expense of the association. When, after the examination, the commissioner is satisfied that any such association has violated the law, has exceeded its powers, is not carrying out its contracts in good faith, is transacting business fraudulently, or is in such condition as to render further proceedings hazardous to the public or its members he may, after hearing duly had, suspend the license of the association and present the facts relative thereto to the attorney general, who shall if the circumstances warrant commence an action to enjoin the association from carrying on any further business and for the appointment of a receiver, who shall under the direction of the court proceed to close the affairs of the association and distribute its funds to those entitled thereto.

[*Ex. 1919 c. 55 s. 10*] (3684)