

CHAPTER 66

INSURANCE DIVISION; PROVISIONS RELATING TO
MUTUAL COMPANIES**66.01 MEMBERSHIP; MEETINGS; NOTICE.**

HISTORY. 1895 c. 175 s. 37; R.L. 1905 s. 1626; G.S. 1913 s. 3303; G.S. 1923 s. 3537; M.S. 1927 s. 3537.

EFFECT OF FAILURE OF NOTICE. The notification on the back of the policy required by this section did not appear, but we are unable to see in what manner the failure to give such notice would affect its validity. *Dwinnell v Felt*, 90 M 9, 95 NW 579.

66.02 PREMIUMS; CONTINGENT LIABILITY.

HISTORY. 1895 c. 175 s. 40; R.L. 1905 s. 1627; G.S. 1913 s. 3304; G.S. 1923 s. 3538; M.S. 1927 s. 3538.

POLICIES. While mutual companies may, and perhaps must, use the standard form fire policy, they must insert provisions showing the total amount of the liability of the policyholder. A formal reference to the section number of the statute is not sufficient. *Dwinnell v Kramer*, 87 M 392, 92 NW 227.

TAXATION. Only the amounts charged by the company against the deposit are properly denominated a premium on which it should pay taxes. 1908 OAG 126.

66.03 REQUIREMENTS WHEN NOTE GIVEN.

HISTORY. 1893 c. 36 s. 1; G.S. 1894 s. 3203; 1902 c. 10; R.L. 1905 s. 1628; 1907 c. 321; G.S. 1913 s. 3305; G.S. 1923 s. 3539; M.S. 1927 s. 3539.

CANCELATION. To render cancelation effective, if promissory notes were given for the different instalments of the premium, the unearned portion must be returned. *Ilett v North Star Farm Mut. Ins. Co.* 156 M 128, 194 NW 1; *Clark v Farm Mut. Ins. Co.* 161 M 476, 201 NW 930.

66.04 POLICIES OF INSURANCE WITHOUT CONTINGENT LIABILITY.

HISTORY. 1919 c. 393 s. 1; G.S. 1923 s. 3540; M.S. 1927 s. 3540.

66.05 TO INSURE AGAINST LOSS OR DAMAGE TO AUTOMOBILES.

HISTORY. 1919 c. 393 s. 2; G.S. 1923 s. 3541; M.S. 1927 s. 3541.

66.06 PROVISIONS AS TO POLICIES LAPSING.

HISTORY. 1902 c. 10; R.L. 1905 s. 1629; G.S. 1913 s. 3306; G.S. 1923 s. 3542; M.S. 1927 s. 3542.

CONSTRUCTION. The first part of this section does not constitute an absolute, positive enactment defining the duties of mutual insurance companies but is merely a permissive statute enabling them to adopt such a by-law if they see fit. *Johnson v Retail Mer. Mut. F. Ins. Co.* 112 M 418, 128 NW 462.

WAIVER. Mutual companies may waive by-laws made pursuant to this section. *Green v Minn. Farm. Mut. Ins. Co.* 190 M 109, 251 NW 14; *Lenning v Retail Mer. Mut. F. Ins. Co.* 138 M 233, 164 NW 908; *Johnson v Retail Mer. Mut. F. Ins. Co.* 112 M 418, 128 NW 462.

CANCELATION. Mere failure to pay an assessment does not defeat a recovery on the policy. The policy must be canceled according to its provisions and if it makes no provision for cancellation, the statutory mode must be followed. *Kvale v Farm Mut. F. Ins. Co.* 162 M 293, 202 NW 491.

An agent has authority to waive a forfeiture clause. Any provision of an insurance policy operating to work a forfeiture in favor of the insurer may be waived by it. *Green v Minnesota Mutual*, 190 M 109, 251 NW 14.

66.07 ASSESSMENTS.

HISTORY. 1895 c. 175 s. 42; R.L. 1905 s. 1630; 1907 c. 321 s. 1; G.S. 1913 s. 3307; 1915 c. 354; G.S. 1923 s. 3543; M.S. 1927 s. 3543.

MUST BE PRO RATA. An assessment which violates this rule is unenforceable. *Swing v Akeley Lbr. Co.* 62 M 169, 64 NW 97.

This section does not recognize a difference in the hazard as a reason for making a difference in the assessment. *Minn. Farm. Mut. Ins. Co. v Landkammer*, 126 M 245, 148 NW 305.

NOT WAIVABLE. A mutual company cannot lawfully issue a policy waiving a contingent liability for assessment even though the holder is another fire insurance company and the policy one of reinsurance. 1902 OAG 67.

STATUTE OF LIMITATIONS. Time within which an action can be brought on a contract providing for assessments does not begin to run until an assessment has been made notwithstanding the directors' delay in levying an assessment. *Langworthy v Garding*, 74 M 325, 77 NW 207.

66.08 GUARANTY FUND.

HISTORY. 1901 c. 166 s. 3; R.L. 1905 s. 1631; 1907 c. 321; G.S. 1913 s. 3308; G.S. 1923 s. 3544; M.S. 1927 s. 3544.

66.09 NON-ASSESSABLE POLICIES; GUARANTY FUND; BUSINESS PERMITTED.

HISTORY. 1921 c. 200 s. 1; 1923 c. 159 s. 1; G.S. 1923 s. 3545; M.S. 1927 s. 3545.

INDEMNITY BONDS. A mutual company is not exempt from the provisions of section 71.31 and must comply with it before it could write indemnity bonds. *State ex rel v Wells*, 167 M 198, 208 NW 659.

66.10 RESTRICTIONS.

HISTORY. 1921 c. 200 s. 2; 1923 c. 159 s. 2; G.S. 1923 s. 3546; M.S. 1927 s. 3546; 1929 c. 98 s. 1.

66.11 MUTUAL COMPANIES DOING BUSINESS OTHER THAN LIFE, FIRE, ACCIDENT.

HISTORY. 1921 c. 200 s. 3; G.S. 1923 s. 3547; M.S. 1927 s. 3547; 1929 c. 98 s. 2; 1931 c. 288.

(5) A mutual company cannot write bonds for public officials since it would be impossible to have the necessary member charged with a contingent liability as required by this section. *State ex rel v Wells*, 167 M 198, 208 NW 659.

Mutual companies may amend articles and engage in public liability insurance. 1934 OAG 544, Oct. 1, 1934 (487a-1).

66.12 MONEY ADVANCED, BY WHOM; LIQUIDATION OF ASSETS.

HISTORY. 1921 c. 200 s. 4; 1923 c. 159 s. 3; G.S. 1923 s. 3548; M.S. 1927 s. 3548.

CONSTRUCTION OF SUBSCRIPTION. The rules applicable to subscriptions for stock in a corporation apply to a subscription to a guaranty fund. *Am. Mut. F. & D. H. Fire v Kvanbeck*, 177 M 165, 224 NW 851.

MINNESOTA STATUTES 1945 ANNOTATIONS

66.13 MUTUAL COMPANIES

454

66.13 DIVIDENDS.

HISTORY. 1921 c. 200 s. 5; G.S. 1923 s. 3549; M.S. 1927 s. 3549.

66.14 REVOCATION OF LICENSE.

HISTORY. 1921 c. 200 s. 6; G.S. 1923 s. 3550; M.S. 1927 s. 3550.

66.15 KINDS OF BUSINESS AUTHORIZED.

HISTORY. 1921 c. 200 s. 7; 1923 c. 159 s. 4; G.S. 1923 s. 3551; M.S. 1927 s. 3551.

66.16 FOREIGN MUTUALS.

HISTORY. 1921 c. 200 s. 8; G.S. 1923 s. 3552; M.S. 1927 s. 3552.

66.17 FIRE, HAIL, AND TORNADO ASSOCIATIONS MAINTAINED BY MEMBERS OF ONE RELIGIOUS DENOMINATION, EXEMPT FROM INSURANCE LAWS.

HISTORY. 1907 c. 165 s. 1; G.S. 1913 s. 3259; G.S. 1923 s. 3553; M.S. 1927 s. 3553.

66.18 MUTUAL INSURANCE COMPANIES MAY REINSURE.

HISTORY. 1931 c. 179; M. Supp. s. 3553-1.

66.19 MUTUAL AUTOMOBILE INSURANCE COMPANIES.

HISTORY. 1919 c. 492 ss. 1 to 3; 1921 c. 288 ss. 1 to 3; G.S. 1923 ss. 3554 to 3556; M.S. 1927 ss. 3554 to 3556; 1933 c. 194.

66.20 LIMIT OF EXPENSE.

HISTORY. 1919 c. 492 s. 4; 1921 c. 288 s. 4; G.S. 1923 s. 3557; M.S. 1927 s. 3557.

66.21 REINSURANCE RESERVE.

HISTORY. 1921 c. 288 s. 4A; G.S. 1923 s. 3558; M.S. 1927 s. 3558.

66.22 ADDITIONAL COVERAGE.

HISTORY. 1921 c. 288 s. 4B; G.S. 1923 s. 3559; M.S. 1927 s. 3559; 1929 c. 99.

66.23 GUARANTY RESERVE FUND.

HISTORY. 1919 c. 492 s. 5; 1921 c. 288 s. 5; G.S. 1923 s. 3560; M.S. 1927 s. 3560.

66.24 MUTUAL THRESHERMEN'S INSURANCE COMPANY.

HISTORY. 1921 c. 208 ss. 1 to 3; G.S. 1923 ss. 3561 to 3563; M.S. 1927 ss. 3561 to 3563.

66.25 POLICIES, NUMBER REQUIRED BEFORE COMMENCING BUSINESS.

HISTORY. 1921 c. 208 s. 4; G.S. 1923 s. 3564; M.S. 1927 s. 3564.

66.26 EXPENSE LIMITATION.

HISTORY. 1921 c. 208 s. 5; G.S. 1923 s. 3565; M.S. 1927 s. 3565.

66.27 MUTUAL EMPLOYERS' LIABILITY ASSOCIATION.

HISTORY. 1913 c. 122 ss. 1 to 3, 6; G.S. 1913 ss. 3439 to 3441, 3444; G.S. 1923 ss. 3566 to 3568, 3572; M.S. 1927 ss. 3566 to 3568, 3572.

MINNESOTA STATUTES 1945 ANNOTATIONS

455

MUTUAL COMPANIES 66.41

66.28 POLICIES, NUMBER REQUIRED BEFORE BEGINNING BUSINESS.

HISTORY. 1913 c. 122 ss. 4, 5; G.S. 1913 ss. 3442, 3443; G.S. 1923 ss. 3569, 3570; M.S. 1927 ss. 3569, 3570.

66.29 COMPENSATION COMPANIES MAY WRITE GLASS INSURANCE.

HISTORY. 1913 c. 122 s. 6; G.S. 1913 s. 3444; 1921 c. 114; G.S. 1923 s. 3571; M.S. 1927 s. 3571.

66.30 BY-LAWS.

HISTORY. 1913 c. 122 s. 7; G.S. 1913 s. 3445; G.S. 1923 s. 3573; M.S. 1927 s. 3573.

66.31 ANNUAL MEETING.

HISTORY. 1913 c. 122 s. 8; G.S. 1913 s. 3446; G.S. 1923 s. 3574; M.S. 1927 s. 3574.

66.32 ISSUANCE OF POLICIES.

HISTORY. 1913 c. 122 s. 9; G.S. 1913 s. 3447; G.S. 1923 s. 3575; M.S. 1927 s. 3575.

66.33 SUBSCRIBERS, NUMBER OF.

HISTORY. 1913 c. 122 s. 10; G.S. 1913 s. 3448; 1915 c. 65 s. 2; 1919 c. 317 s. 2; G.S. 1923 s. 3576; M.S. 1927 s. 3576.

66.34 POWER OF BOARD OF DIRECTORS.

HISTORY. 1913 c. 122 s. 11; G.S. 1913 s. 3449; G.S. 1923 s. 3577; M.S. 1927 s. 3577.

66.35 PREMIUM COLLECTED.

HISTORY. 1913 c. 122 s. 12; G.S. 1913 s. 3450; 1917 c. 201 s. 1; G.S. 1923 s. 3578; M.S. 1927 s. 3578.

66.36 RATES ESTABLISHED.

HISTORY. 1913 c. 122 s. 13; G.S. 1913 s. 3451; 1917 c. 201 s. 2; G.S. 1923 s. 3579; M.S. 1927 s. 3579.

66.37 CLASSIFICATION OF SUBSCRIBERS AND PREMIUM RATES.

HISTORY. 1913 c. 122 s. 14; G.S. 1913 s. 3452; G.S. 1923 s. 3580; M.S. 1927 s. 3580.

66.38 STATEMENT, WHERE FILED.

HISTORY. 1913 c. 122 s. 15; G.S. 1913 s. 3453; 1917 c. 201 s. 3; G.S. 1923 s. 3581; M.S. 1927 s. 3581.

66.39 PERJURY BY OFFICER.

HISTORY. 1913 c. 122 s. 16; G.S. 1913 s. 3454; G.S. 1923 s. 3582; M.S. 1927 s. 3582.

66.40 WITHDRAWAL OF SUBSCRIBER.

HISTORY. 1913 c. 122 s. 17; G.S. 1913 s. 3455; G.S. 1923 s. 3583; M.S. 1927 s. 3583.

66.41 INVESTMENT OF FUNDS; REAL ESTATE HOLDINGS.

HISTORY. 1913 c. 122 ss. 18, 19; G.S. 1913 ss. 3456, 3457; G.S. 1923 ss. 3584, 3585; M.S. 1927 ss. 3584, 3585.

MINNESOTA STATUTES 1945 ANNOTATIONS

66.42 MUTUAL COMPANIES

456

66.42 MUTUAL HAIL, TORNADO, AND CYCLONE COMPANIES; POLICIES ISSUED.

HISTORY. 1903 c. 271 ss. 1, 9; R.L. 1905 ss. 1667, 1668; G.S. 1913 ss. 3413, 3414; G.S. 1923 ss. 3689, 3690; 1925 c. 115 s. 1; M.S. 1927 ss. 3689, 3690.

CONSTRUCTION. This section is to be construed as requiring a minimum premium of 2½ per cent of the amount insured as hail insurance. All policyholders, whether holding policies against loss by hail or not, are liable, in addition, to a ratable assessment not to exceed five per cent of the insurance in any one year. 1932 OAG 196.

66.43 ASSESSMENTS; NOTICE, PAYMENTS, COLLECTION.

HISTORY. 1875 c. 83 ss. 8, 9; G.S. 1878 c. 34 ss. 345, 346; G.S. 1894 ss. 3241, 3242; R.L. 1905 s. 1669; 1907 c. 471 s. 1; G.S. 1913 s. 3415; G.S. 1923 s. 3691; M.S. 1927 s. 3691.

SCOPE. The provisions for cancelation of insurance and notice of payment of premiums apply to all forms of insurance. 1932 OAG 196.

66.44 OFFICERS, DUTIES, BONDS.

HISTORY. 1903 c. 271 s. 7; R.L. 1905 s. 1670; G.S. 1913 s. 3416; G.S. 1923 s. 3692; M.S. 1927 s. 3692; 1933 c. 195.

66.45 PROXIES.

HISTORY. 1903 c. 271 s. 8; R.L. 1905 s. 1671; G.S. 1913 s. 3417; G.S. 1923 s. 3693; M.S. 1927 s. 3693.

66.46 PROPERTY INSURABLE; LIMITATION ON EXPENSES.

HISTORY. 1903 c. 271 ss. 9, 14; R.L. 1905 s. 1672; 1907 c. 471 s. 2; G.S. 1913 s. 3418; 1915 c. 106 s. 1; G.S. 1923 s. 3694; 1925 c. 32 s. 1; M.S. 1927 s. 3694.

66.47 REPORTS; WINDING UP; POWERS OF COMMISSIONER.

HISTORY. 1903 c. 271 s. 13; R.L. 1905 s. 1673; 1907 c. 471 s. 3; G.S. 1913 s. 3419; G.S. 1923 s. 3695; M.S. 1927 s. 3695.

66.48 PROVISIONS OF POLICY.

HISTORY. 1903 c. 271 s. 22; R.L. 1905 s. 1675; G.S. 1913 s. 3421; G.S. 1923 s. 3697; M.S. 1927 s. 3697.

66.49 TRANSFER OF RISKS AND REINSURANCE.

HISTORY. 1903 c. 271 s. 24; R.L. 1905 s. 1676; G.S. 1913 s. 3422; G.S. 1923 s. 3698; M.S. 1927 s. 3698.

66.50 REINSURANCE AND CONSOLIDATION.

HISTORY. 1903 c. 244 ss. 1, 2; R.L. 1905 ss. 1677, 1678; G.S. 1913 ss. 3423, 3424; G.S. 1923 ss. 3699, 3700; M.S. 1927 ss. 3699, 3700.

66.51 MUTUAL BURGLARY AND THEFT INSURANCE COMPANIES.

HISTORY. 1897 c. 207 ss. 1 to 5, 7; R.L. 1905 ss. 1683, 1684; G.S. 1913 ss. 3429, 3430; G.S. 1923 ss. 3701, 3702; M.S. 1927 ss. 3701, 3702.

66.52 MUTUAL MARINE INSURANCE COMPANIES.

HISTORY. 1895 c. 175 s. 47; R.L. 1905 ss. 1679, 1680; G.S. 1913 ss. 3425, 3426; G.S. 1923 ss. 3685, 3686; M.S. 1927 ss. 3685, 3686.

MINNESOTA STATUTES 1945 ANNOTATIONS

457

MUTUAL COMPANIES 66.54

RECOVERY ON SUBSCRIPTIONS cannot be had after insolvency of the company for it cannot then reimburse the subscribers. *Drinnell v Minneapolis F. & M. M. Ins.* 87 M 59, 91 NW 266, 1098.

Where the subscribers are the directors and represent that the company is conducted on the stock plan, there may be recovery on the subscriptions on grounds of estoppel. *Dwinnell v Minneapolis F. & M. M. Ins.* 90 M 383, 97 NW 110.

66.53 NET PROFIT; ACCUMULATIONS.

HISTORY. 1895 c. 175 s. 47; R.L. 1905 s. 1681; G.S. 1913 s. 3427; G.S. 1923 s. 3687; M.S. 1927 s. 3687.

66.54 GOVERNMENT; LIABILITY OF OFFICERS.

HISTORY. 1895 c. 175 ss. 48, 49; R.L. 1905 s. 1682; G.S. 1913 s. 3428; G.S. 1923

66.55 FOREIGN ASSOCIATIONS.

HISTORY. 1913 c. 122 s. 20; G.S. 1913 s. 3458; 1915 c. 65 s. 3; 1919 c. 317 s. 3; G.S. 1923 s. 3586; M.S. 1927 s. 3586.