56.23 APPEALS

Time within which to appeal. 35 MLR 640.

56.26 LIMITATIONS

A person who loans money without taking a pledge or who loans money on a pledge of trivial value and who charges a usurious rate of interest is not doing business as permitted by the law relating to licensed pawnbrokers and he stands as to these transactions on the same footing as any other person who engages in the business described in section 56.01 without procuring the necessary license. The commissioner of banks has the right of inspection to determine the facts. OAG Mar. 2, 1948 (53-A-18).

CHAPTER 59

CERTAIN INVESTMENT COMPANIES

59.01 DEFINITIONS

HISTORY. 1943 c 591 s 1; 1949 c 539 s 1.

Investment companies as defined in Chapter 59, are thus enabled to deposit assets with the state treasurer as security for payment of certificate obligations. OAG July 26, 1946 (29-A-20).

59.13 NOTICE TO TREASURER OF DESIRE TO SELL ASSETS

The securities deposited by investment companies with the state treasurer may be sold by the investment companies by following the procedure set forth in section 59.13. The bank to whom the securities are forwarded holds the securities as agent and the securities remain in the legal custody of the treasurer, and when the sale is closed the proceeds remain in the custody of the treasurer and must be forwarded to him. OAG June 21, 1948 (454-I).

59.23 COMMISSIONER TO MAKE EXAMINATIONS

What action to take, or whether or not to take action at all under this section, is a matter within the sound discretion of the commissioner. OAG July 26, 1946 (29-A-20).

INSURANCE

CHAPTER 60

INSURANCE DIVISION

HISTORICAL. Prior to 1868 there were no laws relating to insurance except a few sections found in the "Corporations for Profit" chapter, and in the penal laws.

Laws 1868, Chapter 22, regulating foreign and domestic insurance companies, was amended by Laws 1869, Chapter 44. A board of insurance commissioners, consisting of the state treasurer, state auditor, and attorney general, administered the act and collected the two percent premium tax from foreign corporations.

Laws 1872, Chapter 1, was the first comprehensive insurance code, superseding earlier laws on the subject. It established a reciprocal general insurance law relating to domestic and foreign companies; created an insurance department under a commissioner; and revised the laws applicable to all classes of insurance, particularly fire, life, and marine.

Laws 1895, Chapter 175, was "an act to revise and codify the insurance laws of the state," and constituted a complete insurance code, entirely superseding the 1872 law, as amended. This code, as revised in 1905, variously amended, and compiled in succeeding editions of the statutes, constitute our present insurance law found in Minnesota Statutes, beginning with Chapter 60.

Appointment of a deputy commissioner was first authorized by Laws 1889, Chapter 245.

A department of commerce under the supervision and control of a commissioner, composed of the commissioners of banks, insurance, and securities was created by Laws 1925, Chapter 426, Section 8. Certain designated tasks are imposed on the department of commerce, but the three divisions function independently.

60.01 COMMISSIONER; APPOINTMENT, TERM, VACANCY, BOND

HISTORY. 1911 c 386 s 1; 1921 c 346 s 1; 1923 c 399 s 1; 1925 c 426 art 8 s 2; 1949 c 739 s 12; 1951 c 713 s 8.

Improving state regulation of insurance. 32 MLR 219.

Southeastern Underwriters Association case. 32 MLR 220.

Federal insurance regulation. 32 MLR 225.

Federal anti-trust laws potentially applicable to insurance. 32 MLR 228.

Effect of McCarran Act upon state regulation of insurance. 32 MLR 230.

Uniformity of state insurance legislation. 32 MLR 244.

Administrative discretion in insurance matters. 32 MLR 259.

60.02 DEFINITIONS

HISTORY. 1872 c 1 T 1 s 2, 4-8; 1895 c 175 s 1, 3; 1901 c 166 s 1; 1903 c 276 s 1; 1903 c 296; 1907 c 321; 1915 c 195 s 1; 1917 c 308; 1921 c 380 s 1; 1921 c 406 s 1.

Commissions to insurance brokers. 32 MLR 239.

A paid surety acting singly may withdraw as surety from the bond even where it does so with malicious motives. Harding v Ohio Casualty Co., 230 M 327, 41 NW(2d) 818.

Pure service television repair contracts, issued by an independent contractor, does not constitute insurance. Issuance of a contract by an independent contractor which provides for the replacement of parts does not constitute insurance. OAG June 17, 1952 (850-I).

60.04 OFFICIAL STAFF, SALARIES, DUTIES

HISTORY. 1911 c 386 s 3; 1913 c 564 s 21; 1919 c 102 s 3; 1919 c 336 s 1; 1919 c 564 s 21; 1921 c 346 s 2; 1923 c 399 s 2.

60.08 EXAMINATIONS

HISTORY. 1872 c 1 T 2 s 3; 1873 c 16 s 1, 3; 1873 c 17 s 1; 1876 c 21 s 1; 1895 c 175 s 5-11, 69, 95; 1901 c 143; 1911 c 386 s 6; 1915 c 208 s 2; 1925 c 27 s 1.

60.10 EXAMINER, APPOINTMENT

HISTORY. Amended, 1949 c 289 s 1.

60.103 INSURANCE POLICIES ON WHICH PREMIUMS ARE DETERMINED BY AUDITS

Laws 1943, Chapter 393, establishes a procedure for rehabilitation, liquidation, conservation, and dissolution of delinquent insurers. 31 MLR 58.

60.11 FEES

Retaliatory insurance tax laws. 32 MLR 256.

The insurance division, when service is made on the commissioner as attorney in fact for licensed foreign companies, must charge $2 for each company named upon whom service is to be made. OAG Sept. 16, 1947 (250-A).

60.16 UNSATISFIED JUDGMENT

Liability of an insurer for an excess judgment if the insured is insolvent. 37 MLR 490.

Section does not contemplate a revocation of a certificate predicated upon a judgment from which an appeal has been taken and supersedeas bond has been executed and filed. OAG Dec. 3, 1947 (249-A-19).

60.18 VALUATION IN OTHER STATES

In computing the net value of outstanding policies of life insurance companies the commissioner of insurance is entitled under section 60.18 to accept the valuation made by the insurance commissioner of the state, under whose authority a life insurance company has been organized, when that valuation has been made on sound and recognized principles and on the legal basis provided in section 60.17, or its equivalent.

Clause 2, section 71.16, relating to the admission of foreign companies, requires that the companies furnish the commissioner satisfactory evidence that its capital, assets, deposits, amount insured, number of risks, reserve and other securities, and guaranties for protection of policyholders, creditors, and the public, comply with those required of like domestic companies. The limitations of section 61.12 as to the amount of investments in real property permits by that section, under the doctrine of comity apply to foreign as well as domestic companies. OAG June 23, 1947 (251).

60.27 ACCEPTANCE OF LAWS

Where a life insurance company, organized under the laws of another state, applies for and is granted the privilege of doing an insurance business in this state and, by accepting that privilege, agrees to and accepts the provisions of the insurance laws of this state, an insurance contract made by it in this state with a citizen thereof is a Minnesota contract. In the case at bar, where the insurance contract here involved was solicited in this state and application therefor forwarded to the home office of defendant, a Massachusetts company, by which a policy was issued upon the application and forwarded to the general agency for the company in Minnesota to be delivered to the insured only on condition that he sign in duplicate an aviation exclusion rider, one of which was to be attached to the policy and the other returned to the company, the contract was a Minnesota contract. Onstad v State Mutual Life, 226 M 60, 32 NW(2d) 186.

60.274 Repealed, 1949 c 156 s 4.

60.28 SOLICITATION OF CERTAIN CONTRACTS FORBIDDEN

Where a life insurance company, organized under the laws of another state, applies for and is granted the privilege of doing an insurance business in this state and, by accepting that privilege, agrees to and accepts the provisions of the insurance laws of this state, an insurance contract made by it in this state with a citizen thereof is a Minnesota contract. In the case at bar, where the insurance contract

here involved was solicited in this state and application therefor forwarded to the home office of defendant, a Massachusetts company, by which a policy was issued upon the application and forwarded to the general agency for the company in Minnesota to be delivered to the insured only on condition that he sign in duplicate an aviation exclusion rider, one of which was to be attached to the policy and the other returned to the company, the contract was a Minnesota contract. Onstad v State Mutual Life, 226 M 60, 32 NW(2d) 186.

A demurrer admits of material facts well pleaded, but does not admit conclusions of law. Construction of the language used in an insurance contract lies only in the field of ambiguity. Where there is no ambiguity, there is no room for construction. The doctrine of substantial compliance has no application where the contract of insurance expressly requires actual compliance. The parties are free to contract as they see fit. A clause in an insurance policy excepting liability in the case of loss or damage to the insured property while in or upon an automobile or other vehicle unless, at the time the loss occurs there is actually in or upon the vehicle a person in charge of the property, includes a theft which occurs when the property is left unattended. Ruvelson v St. Paul Fire & Marine Insurance Co., 235 M 243, 50 NW(2d) 629.

60.29 CAPITAL STOCK REQUIRED; BUSINESS WHICH MAY BE TRANSACTED

HISTORY. 1915 c 138 s 1; 1917 c 29 s 1; 1919 c 413 s 1; 1923 c 51; 1927 c 240; 1933 c 73; 1941 c 294 s 1; 1947 c 295 s 1; 1949 c 489 s 1, 2; 1953 c 120 s 1.

Extent of insured's right to participate in defense; insurer's liability for insured's attorney's fees. 31 MLR 380.

Substantive due process; prohibition of business methods. 34 MLR 111.

The vendee under a conditional sales contract may be denied the omnibus clause protection of a vendor's policy. 37 MLR 219.

Where the wife of the insured recovered damages for personal injuries the insurance company, having been garnisheed, pleaded in defense lack of cooperation on the part of the insured, the evidence supports the findings of the trial court that there was no lack of cooperation and the insurance company was held liable. Any ambiguity in the statement of the insured concerning details of the accident is construed against the liability insurer in view of the fact that the statement was prepared by the insurer. Johnson v Johnson, 228 M 282, 37 NW(2d) 1.

A change of title or interest was not effected by a contract for sale of insured property entered into prior to loss between named persons as agents of the owners, one of whom was an infant, as vendors, and plaintiff, as vendee, subject to the conditions precedent, (a) that the vendors obtain deed signed by the adult owners, and (b) that they obtain an order of license from the probate court authorizing the sale of the infant's interest, and providing that upon failure to comply with such conditions the sale should be null and void; and the performance of the contract after loss did not constitute a change of title or interest which related back so as to void the policy prior to the occurrence of the loss. Windey v North Star Farmers Mutual Insurance Company, 231 M 279, 43 NW(2d) 99.

It is for the jury to determine whether a windstorm was the efficient and proximate cause of the damage to the building within the coverage of the insurance policy, or whether a blizzard or a snowstorm was the efficient and proximate cause thereof within the meaning of the exclusionary clause. It is immaterial that the damage following from the efficient and proximate cause may have been indirectly and incidentally enhanced by another expressly excluded from the coverage. Anderson v Connecticut Insurance Co., 231 M 469, 43 NW(2d) 807.

The fact that a health and accident policy is one of a group policy does not necessarily make the policy an occupational policy. Total disability is relative and depends upon the occupation and employment in which the insured is engaged. Weum v Mutual Benefit Health and Accident Assn., 237 M 89, 54 NW(2d) 20.

The general rule is that a policy of insurance is to be construed liberally in favor of the insured and every reasonable doubt as to the meaning of the language used resolved in his favor, and this rule applies in full force to accident and health policies. Weum v Mutual Benefit Health and Accident Assn., 237 M 89, 54 NW(2d) 20.

In resolving doubts as to the meaning to be given the terms of an insurance contract, the supreme court will note the purposes for seeking the insurance and will avoid an interpretation which would forfeit rights which the insured may have believed he was securing, but which, because of the failure of the insurer to use clearer language, are now cast in doubt. Weum v Mutual Benefit Health and Accident Assn., 237 M 89, 54 NW(2d) 20.

In the absence of assignment or expressed stipulation of the parties to such an effect, contracts or policies of insurance do not attach to or run with the property insured, whether the property is real or personal. Closuit v Mitby, ... M ....., 56 NW(2d) 428.

Under a policy insuring against peril of windstorm, a "windstorm," in the absence of any more specific definition, must be taken to be a wind of sufficient violence to be capable of damaging the insured property. The opinion of an expert witness which is not based upon an adequate factual foundation has no evidentiary value and must be rejected as speculative and conjectural. Where as here plaintiff's entire cause of action hinges upon such opinion testimony, the jury's verdict in favor of the plaintiff cannot stand. Whether a witness qualifies as an expert is a question to be decided by the trial court. Albert Lea Ice & Fuel Co. v United States Fire Insurance Co., ... M ....., 58 NW(2d) 614.

Where a policy of automobile indemnity insurance exempted the insurer from liability for personal injuries to any member of the family of the insured, an adult brother of the insured living in the same household was within the exclusionary clause. Whether the insured under a policy failed to cooperate with the insurer is a question of fact and the findings of the trial court will not be disturbed on appeal if there is evidence to sustain the finding. Tomlyanovich v Tomlyanovich, ... M ....., 58 NW(2d) 855.

Where an endorsement attached to a policy of insurance forms part of the contract, the policy and the endorsement must be construed together, and if there is a conflict the provisions of the endorsement govern. The construction of an insurance policy which entirely neutralizes one provision should not be adopted if the contract is susceptible of another construction which gives effect to all its provisions. The exclusions in the body of a policy are as much a part of the contract as the stated coverage and cannot be ignored in construing the policy and an attached endorsement, but the stated exclusions in the endorsement cannot be used to enlarge the coverage of the policy. Wyatt v Wyatt, ... M ....., 58 NW(2d) 873.

A qualified insurance company may write a jeweler's block policy, and there is no statutory provision permitting insurer to limit it or limit condition of insurer's liability for a fire loss by inserting in such policy a warranty not authorized by Section 65.01. Fireman's Fund v Vermes Jewelry Co., 185 F(2d) 142.

One who is induced to part with his automobile for a check on a bank in which the pretended buyer had no account is entitled to recover under a policy insuring the owner against theft or larceny of the automobile. Central Surety Fire Corp. v Williams, 213 Ark. 600, 211 SW(2d) 891.

Delay in obtaining facts and an attempt by an investigator to make a nuisance settlement of a death claim does not constitute an assumption of control of the defense so as to estop the insurance company from raising a defense of nonliability under the policy. Security Insurance Co. v Jay, 109 F.Supp. 67.

Where during the trial on automobile liability insurer discovered noncooperation on the part of the insured, and insurer's counsel suggested that such noncooperation might constitute a defense against public liability, the proceeding with the trial did constitute a waiver of policy defense. Berkman Iron Co. v Striano, 111 F. Supp. 221.

That insurer was not informed that insured's minor son would be the sole driver did not constitute concealment of a material fact. The policy was not void. Northwestern Nat. Gas Co. v Bettinger, 111 F.Supp. 511.

Minnesota statutes do not authorize domestic insurance companies to write insurance on television picture tubes. Such type of insurance is not covered by section 60.29, clause 3. OAG Sept. 10, 1953 (249-B-23) (850-I).

60.34 DEPOSITS WITH COMMISSIONER

HISTORY. 1895 c 175 s 97; 1899 c 234 s 4; 1905 c 181.

60.36 Repealed, 1951 c 583 s 2.

60.37 CAPITAL STOCK TO BE PAID IN FULL; INVESTMENT

HISTORY. Amended, 1949 c 288 s 1.

Section 61.11, as amended by Laws 1947, Chapter 439, Section 1, is controlling as to all real estate investments of every domestic life insurance company. The insurance company may invest only in kinds of securities or property therein specified, with the exception that such company has the additional power to invest in real estate as otherwise provided by law. The purpose of section 60.49 is to prevent too great investment in real estate. The 25 percent refers to the amount actually invested rather than the total market value of the property acquired. OAG March 8, 1949 (253-A-5).

Notwithstanding the provisions of sections 47.19 and 48.61, a Minnesota state bank is without power to purchase and hold stock in a building corporation even though the building corporation owns the banking premises. OAG July 7, 1949 (29-A-19).

60.49 REAL ESTATE

HISTORY. Amended, 1949 c 333 s 1.

The five-year limitation on the holding of real property as far as domestic life insurance companies are concerned only applies to real property of the character specified in section 61.12, subdivision 1, clauses 2, 3, and 4. If foreign companies are entitled to make investments in Minnesota under the same clauses of section 61.12, the five-year limitation provided for in section 60.49 applies.

So far as the 25 percent limitation on home office property is concerned that restriction still applies to all classes of insurance companies. Sections 60.49 and 61.12 must be read together. OAG June 23, 1947 (251).

Section 61.11, as amended by Laws 1947, Chapter 439, Section 1, is controlling as to all real estate investments of every domestic life insurance company. The insurance company may invest only in kinds of securities or property therein specified, with the exception that such company has the additional power to invest in real estate as otherwise provided by law. The purpose of section 60.49 is to prevent too great investment in real estate. The 25 percent refers to the amount actually invested rather than the total market value of the property acquired. OAG Mar. 8, 1949 (253-A-5).

60.50 POLICY TO EMBRACE CONDITIONS

Total coverage by separate insurers; contribution. 32 MLR 510.

County insurance; extent of the liability of the insurer. 32 MLR 514.

Duty of insurer to settle; good faith on reasonable care. 34 MLR 150, 231.

A demurrer admits of material facts well pleaded, but does not admit conclusions of law. Construction of the language used in an insurance contract lies only in

the field of ambiguity. Where there is no ambiguity, there is no room for construction. The doctrine of substantial compliance has no application where the contract of insurance expressly requires actual compliance. The parties are free to contract as they see fit. A clause in an insurance policy excepting liability in the case of loss or damage to the insured property while in or upon an automobile or other vehicle unless, at the time the loss occurs there is actually in or upon the vehicle a person in charge of the property, includes a theft which occurs when the property is left unattended. Ruvelson v St. Paul Fire & Marine Insurance Co., 235 M 243, 50 NW(2d) 629.

One who is induced to part with his automobile for a check on a bank in which the pretended buyer had no account is entitled to recover under a policy insuring the owner against theft or larceny of the automobile. Central Surety Fire Corp. v Williams, 213 Ark. 600, 211 SW(2d) 891.

60.51 INSURER NOT RELIEVED OF OBLIGATIONS BY BANKRUPTCY OR INSOLVENCY OF INSURED

Governmental, charitable and intra-family immunity from tort and liability; effect of insurance. 33 MLR 634.

Liability of an insurer for an excess judgment if the insured is insolvent. 37 MLR 490.

60.511 RECIPROCAL OR INTERINSURANCE

HISTORY. 1913 c 464 s 1-4; 1917 c 352 s 1; 1919 c 512 s 1; 1945 c 594 s 1; 1953 c 170 s 1.

"Reciprocal" or "interinsurance exchange" is a group or association of persons cooperating through an attorney in fact for the purpose of insuring themselves and each other; and where the exchange, while insolvent permitted the state to docket a judgment against it, thereby enabling the state to be in a position to obtain preference over other creditors and, while insolvent, state district court appointed a receiver for it, creditors were entitled to have the exchange adjudicated bankrupt. Re Minnesota Insurance Underwriters, 36 F(2d) 371.

A reciprocal exchange may set up various classes of subscribers; and may issue contracts limiting the liability of its subscribers for additional funds to pay third party claims. OAG Apr. 15, 1939 (249-A-12).

A county cannot become a member of a reciprocal exchange. OAG Mar. 28, 1941 (249-A-4).

A reciprocal and interinsurance exchange is not permitted to write bonds. OAG Feb. 25, 1948 (249-B-16).

60.513 RESERVE FUND

A reciprocal or interinsurance exchange must carry a deposit prescribed by section 71.08 and in addition must maintain a reserve fund described in section 60.513. "Convertible securities" is a security readily convertible into cash for full face value. Securities referred to in section 60.513 need not comply with the requirements of section 60.37. OAG Feb. 25, 1928 (259-B-16).

60.518 LICENSE FEE

Reciprocal or interinsurance exchanges are not taxed for the maintenance of the state fire marshal's department. OAG Nov. 2, 1925 (198-B-4).

60.519 INSURANCE AND REINSURANCE BY FOREIGN COMPANY

HISTORY. 1895 c 175 s 83.

60.52 REINSURANCE; MAXIMUM BY FIRE COMPANIES; REPORTS

HISTORY. 1895 c 175 s 19, 105; 1907 c 321 s 1; 1927 c 229.

The housing authority is required to purchase insurance on bids and grant the contract to the lowest responsible bidder. The liability on each risk is limited to one-tenth of the total assets. The housing authority has the right to include in any contract for financial assistance with the federal government any conditions which the federal government may attach to its financial aid of a project not inconsistent with the provisions of sections 462.411 to 462.711. OAG Nov. 21, 1951 (59-A-25).

A housing authority must let a contract for insurance on its projects to the lowest responsible bidder. The company must limit each risk to one-tenth of its assets without consideration of reinsurance. In determining the lowest bidder anticipated dividends cannot be considered. Each separate project is a "single" risk. OAG Nov. 21, 1951 (59-A-25).

60.59 ANNUAL STATEMENTS

HISTORY. 1875 c 83 s 12; GS 1878 c 34 s 349; 1885 c 45; 1891 c 13 s 10; 1893 c 127 s 1; 1895 c 175 s 74 to 94; 1897 c 164 s 8; 1899 c 357 s 4; 1903 c 327; 1907 c 11 s 1; 1925 c 31 s 1; 1927 c 186; 1949 c 287 s 1.

60.63 TAXATION OF INSURANCE COMPANIES

HISTORY. 1895 c 175 s 84, 96; 1907 c 321 s 1; 1915 c 184 s 1; 1919 c 515 s 2; 1921 c 73 s 1; 1949 c 342 s 1; 1953 c 477 s 1.

Validity of state insurance premium tax on foreign insurance companies measured by gross premiums from risks within the state. 30 MLR 545, 642.

Tax concessions to companies investing their assets in securities specified by the taxing state. 32 MLR 255.

An exemption from taxation is a privilege of such high order and is so rarely granted that it can be established or extended only by, and according to the reasonable and natural import of, clear and explicit language, and not by implication or presumption. Ramaley v City of St. Paul, 226 M 406, 33 NW(2d) 19.

Tax funds derived from sections 60.63 or 69.02 are available for payment of fees, dues, and assessments in volunteer firemen's benefit associations. OAG Dec. 18, 1947.

Upon mutualization of assessment life and casualty company, premiums on policies thereafter written and on revised policies are subject to tax as well as premiums on new and revised policies of mutualized companies of Minnesota, not elsewhere licensed, even though the policy holders reside outside this jurisdiction. Policies continued under the old plan are exempt. OAG Jan. 10, 1949 (254-D).

Domestic life insurance companies operating on agency plan are not required to pay a premium tax on premiums paid by residents of other states in which the companies are not admitted to do business. OAG May 2, 1950 (254-D).

Where, in determining the premium tax under section 60.63, a New York company returned premiums which were $219.40 in excess of the gross premiums in one year, there can be no deduction of the overpayment from the premiums to be paid in a succeeding calendar year. OAG Mar. 22, 1951 (254-D).

Where a municipality maintains a fire department, or where such department furnishes services under a contract, certain insurance companies are required to pay a two percent premium tax to the municipality. OAG May 18, 1951 (681-A).

A municipality should not furnish fire protection outside the municipality owning the fire department unless there is a contract with the community to which the protection is being furnished, or with some insurance company. OAG May 18, 1951 (688-A).

The surtax upon a corporation imposed by section 290.06, subdivision 4, is not a tax due under the computation provided for in subdivision 1. It is an additional tax arrived at from adding a percentage of the rate set forth in subdivision 1. Since the credits permitted by subdivision 3 of section 290.06 are expressly limited to the tax due under the computation provided for in subdivision 1, the surtax upon corporations imposed by subdivision 4 is not subject to reduction by the credits provided for in subdivision 3 of section 290.06. OAG June 1, 1953 (531).

60.64 INSURANCE AGENT OR SOLICITOR, LICENSE FOR

Failure of coverage in antedated life or accident-health insurance. 34 MLR 231.

Judicial control of matters relating to sterile premiums. 34 MLR 240.

60.65 LICENSES

HISTORY. 1915 c 195 s 2; 1921 c 380 s 2; 1951 c 583 s 1.

60.66 AGENTS TO BE LICENSED

An agent is not permitted to divide his commission with another person, firm or corporation not licensed as an agent or solicitor. An agent, licensed for one company, may place insurance in a company writing the same class of insurance but by whom he is not personally licensed, by consummating the transaction through a licensed agent of that company. OAG May 9, 1952 (256).

60.69 REVOCATION OF LICENSE

Judicial control of matters relating to sterile premiums. 34 MLR 240.

60.72 COMPLAINT; REINSTATEMENT; HEARING

HISTORY. 1915 c 195 s 9; 1921 c 380 s 9; 1949 c 121 s 1.

60.81 LICENSE MANDATORY

An agent is not permitted to divide his commission with another person, firm or corporation not licensed as an agent or solicitor. An agent, licensed for one company, may place insurance in a company writing the same class of insurance but by whom he is not personally licensed, by consummating the transaction through a licensed agent of that company. OAG May 9, 1952 (256).

60.85 MISREPRESENTATION BY APPLICANT

Effect of a temporary breach of radius endorsement in an automobile liability insurance policy. 34 MLR 474.

A standard life insurance policy issued without medical examination is subject to section 61.24 but is not subject to section 60.85; and where an application for insurance is made out by an insurance agent in the course of his agency, and the insured truthfully gives the agent the correct answer which the agent records on the application incorrectly without any collusion on the part of the insured, and the insured signs the application without reading it the insurance company is not relieved from liability on the policy. Pomerenke v Farmers Life Company, 228 M 256, 36 NW(2d) 703.

60.875 DELINQUENT INSURERS

Impairment of contracts; due process of law; state custody of abandoned insurance funds. 33 MLR 309.

Self incrimination; confession covered by police; legislative investigations; production of writings; bodily or mental examinations; jurisdictional limits of the privilege; waiver by testifying. 34 MLR 1.

60.88 AMENDMENT OF CERTIFICATE OF INCORPORATION OR ARTICLES OF ASSOCIATION OF DOMESTIC INSURANCE COMPANIES WITHOUT CAPITAL STOCK

The filing of a true copy of articles or amendments thereto constitutes "recording" within the purview of section 60.88. OAG Oct. 14, 1953 (249-A-2).

CHAPTER 61

LIFE INSURANCE

HISTORICAL. Prior to 1872 there were no laws specifically regulating life insurance companies. Laws 1872, Chapter 1, was a complete insurance code, Article 5 containing the life insurance sections. The law was completely revised by Laws 1895, Chapter 175, and as amended and supplemented is found in Chapter 61.

Mutual companies are excepted from many of the financial requirements.

Cooperative life, endowment, and casualty associations were authorized by Laws 1885, Chapter 184. Laws regulating such companies were enacted by Laws 1907, Chapter 318, and since modified are sections 61.47 to 61.58.

LIFE INSURANCE COMPANIES

61.01 BUSINESS OF LIFE INSURANCE

HISTORY. 1895 c 175 s 63; 1901 c 148 s 1.

Revocation of insurance trusts. 35 MLR 417.

61.04 DOMESTIC MUTUAL COMPANIES, RIGHTS OF MEMBERS

HISTORY. 1895 c 175 s 37; 1901 c 143 s 73; 1925 c 53 s 1; 1949 c 291 s 1.

61.05 DISCRIMINATION IN ACCEPTING RISKS

Classification of policies with and without disability benefits for purposes of anti-discrimination statutes. 32 MLR 186.

61.06 DISCRIMINATION; REBATES

Purposes of anti-discrimination statutes; information. 32 MLR 186.

61.08 SOLICITORS, AGENTS OF COMPANY

Where evidence disclosed that insurer had furnished a soliciting agent and its cashier with blank change-of-beneficiary forms to assist policyholders in making changes of beneficiary; had given specific instructions to such agent and cashier as to manner and method to be followed in assisting policyholders in bringing about such changes; and had delivered receipts for such notices and policies in name of insurer, such agent and cashier were agents of insurer rather than of insured in performing the described acts. Boehne v Guardian Life Ins. Co., 224 M 58, 28 NW(2d) 54.

An insurance agent, a year after issuance of a life policy containing a double indemnity benefit clause excluding liability of insured's death resulting directly or indirectly from war or any act incident thereto or operating or riding in aircraft other than as a fare-paying passenger, stated to insured, in order to induce con-