

67A.23 TOWNSHIP MUTUAL COMPANIES

67A.23 Investments, limitations.

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 statutory city formerly a 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 federally insured depositories located in Minnesota. Funds deposited in a certificate of deposit in a federally insured depository located in states adjacent to Minnesota may continue on deposit in the depository until the certificate of deposit matures, at which time the funds shall be withdrawn and deposited in a federally insured depository as provided in this section.

[1977 c 244 s 4]

CHAPTER 69. FIRE AND POLICE DEPARTMENT AID; FIREMEN'S AND POLICEMEN'S RELIEF

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69.011 Qualifying for state aid.

Subdivision 1. **Definitions.** Unless the language or context clearly indicates that a different meaning is intended, the following words and terms shall for the purposes of this chapter and chapter 424 have the meanings ascribed to them:

- (a) "Commissioner" means the commissioner or director of insurance.
- (b) "Municipality" means any city of any class, and organized town.
- (c) "Minnesota Firetown Premium Report" means a blank form containing space for reporting by insurers of fire, lightning, sprinkler leakage and extended coverage premiums less return premiums and dividends received upon risks located or to be performed in this state.
- (d) "Firetown" means any municipality having a qualified fire department or a qualified incorporated fire department having a retirement plan.
- (e) "Average State Aid" means the sum of the amount of aid apportioned for firemen pensions or services the previous two years plus the amount of aid computed for apportionment by the assessed property valuation and population basis for the current year divided by three.
- (f) "Assessed Property Valuation" means latest available assessed value of all property in a taxing jurisdiction, whether such property is subject to taxation, or exempt from ad valorem taxation for any reason, appearing on abstracts filed with the commissioner of revenue or equalized by the state board of equalization.
- (g) "Minnesota Aid to Police Premium Report" means a blank form containing space for reporting by each fire and casualty insurer of all premiums less return premiums and dividends received upon direct business received by it in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for insuring against the perils contained in auto liability-bodily injury, auto liability-property damage, and auto physical damage as reported on lines 19, 20, and 21 of page 14 of the fire and casualty insurance companies annual financial statement which each insurer is required to file with the commissioner in accordance with the governing laws or regulations.
- (h) "Police officer" means any person:
 - (1) Whose primary source of income derived from wages is from direct employment by a municipality or county as a law enforcement officer on a full time basis of not less than 30 hours per week;
 - (2) Who has been employed for a minimum of six consecutive months prior

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to December 31 preceding the date of the current year's certification pursuant to subdivision 2, clause (b);

(3) Who is sworn to enforce the general criminal laws of the state and local ordinances;

(4) Who is authorized to arrest with a warrant;

(5) Who is a member of a local police relief association or the public employees police and fire fund;

(6) Who, if employed in a municipality with a population of more than 1,000 inhabitants according to the most recent federal census, is certified or meets the requirements for certification by the Minnesota police officers training board; and

(7) Who meets the selection standards of the Minnesota police officers training board.

(i) "Full time equivalent number of police officers providing contract service" means the integral or fractional number of police officers which would be necessary to provide the contract service if all were employed on a full time basis as defined by the employing unit in the municipality receiving the contract service.

Subd. 2. Clerk to file certificate. (a) On or before March 1 annually the clerk of each municipality having a duly organized fire department as provided in subdivision 4, clause (1) or the secretary of nonprofit fire fighting corporations having a relief and retirement plan or incorporated firemen's relief association shall certify that fact and the fire personnel and equipment of the fire department as of the preceding December 31 to the commissioner on a form prescribed by him together with the other facts the commissioner may require. The certification shall be made to the commissioner in duplicate. Each copy of the certificate shall be duly executed and deemed an original. The commissioner shall forward one copy to the auditor of the county wherein the fire department is located and retain one copy.

(b) On or before March 1 annually the clerk of each municipality having a duly organized police department and having a duly incorporated relief association shall certify that fact to the county auditor of the county where the police department is located and to the commissioner on a form prescribed by him together with the other facts the commissioner or auditor may require.

On or before March 1 annually, the clerk of each municipality and the auditor of each county employing one or more police officers as defined in subdivision 1, clause (h), shall certify the number of such police officers to the commissioner on forms prescribed by him. For purposes of sections 69.011 to 69.051, employment of a police officer shall commence when the police officer is entered on the payroll of the respective municipal police department or county sheriff's department. No police officer shall be included in the certification of the number of police officers by more than one municipality or county.

[For text of subds 3 to 5, see M.S.1976]

[1977 c 429 s 4,5]

69.021 Reporting premiums; calculation of aid.

[For text of subds 1 to 4, see M.S.1976]

Subd. 5. Calculation of state aid. The amount of state aid available for apportionment shall be two percent of the fire, lightning, sprinkler leakage and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report and two percent of the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report. The amount for apportionment in respect to firemen's state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report. The total amount for apportionment in respect to police state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium

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Report. The total amount for apportionment in respect to police state aid shall be distributed to the counties for apportionment to municipalities maintaining police departments and to the county on the basis of the number of active police officers, as certified pursuant to section 69.011, subdivision 2, clause (b). The commissioner shall calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

Subd. 6. Calculation of apportionment of aid to counties. With respect to firemen, one-half of the state aid available shall be distributed to the counties in proportion to their population as shown by the last official statewide federal census. The remaining one-half of the state aid available shall be distributed to the counties in proportion to their assessed property valuation, excluding mineral values.

In the case of incorporated or municipal fire departments furnishing fire protection to cities, towns or townships in other counties as evidenced by valid fire service contracts filed with the commissioner of insurance and county auditor the distribution to the respective counties shall be adjusted proportionately to take into consideration the crossover fire protection service. The amount of firemen's state aid apportioned to each county shall not be less than 100 percent nor more than 150 percent of the average state aid calculated for apportionment to the county. Provided that if the amount of aid so calculated is either greater or less than the amount of aid available as calculated in subdivision 5 each county's proportionate share of the state aid shall be reduced or increased on a percentage basis so that the amount of aid apportioned shall not exceed the amount of tax collected. Other necessary adjustments shall be made to subsequent apportionments. No county shall receive less than provided for under this subdivision.

The state aid available in respect to police officers shall not exceed the amount of tax collected and shall be distributed to the counties in proportion to the total number of active police officers, as defined in section 69.011, subdivision 1, clause (h), in each county who are employed either by municipalities maintaining police departments or by the county. Any necessary adjustments shall be made to subsequent apportionments.

Subd. 7. Apportionment of aid to municipalities and firemen's relief associations by county auditor. (1) The county auditor shall apportion the state aid received by him relative to the premiums reported on the Minnesota Firetown Premium Reports filed pursuant to this chapter to each municipality and/or firemen's relief association certified to him by the commissioner in the same manner that state aid is apportioned to the counties, one-half in proportion to the population and one-half in proportion to the assessed property valuation of the fire towns in the county for which aid is apportioned. The county auditor shall apportion the amount of aid to each municipality and/or firemen's relief association in an amount not less than 100 percent nor more than 150 percent of the average state aid calculated for apportionment to the municipality and/or firemen's relief association. Provided that if the amount of aid so calculated is either greater or less than the amount of aid available as calculated in subdivision 5 each municipality's and/or firemen's relief association's proportionate share of the state aid shall be reduced or increased on a percentage basis so that the amount of aid apportioned shall not exceed the amount of tax collected. No municipality or firemen's relief association shall receive less than provided for under this subdivision.

In the case of municipalities or independent fire departments qualifying for the aid the county auditor shall calculate the state aid for the municipality or relief association on the basis of the population and the property valuation of the area furnished fire protection service by the fire department as evidenced by duly executed and valid fire service agreements filed with him. If one or more fire departments are furnishing contracted fire service to a city, town or township only the

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population and valuation of the area served by each fire department shall be considered in calculating the state aid and the fire departments furnishing service shall enter into an agreement apportioning among themselves the percent of the population and the assessed property valuation of each service area. Agreement shall be in writing and filed with the commissioner in duplicate. The commissioner shall forward one copy of the agreement to the county auditor of the county wherein the fire department is located and retain one copy.

In the case of cities of the first and second class the state aid calculated shall be paid directly to the treasurer of the relief association. In the case of all other municipalities and independent fire department relief associations or retirement plans the aid shall be paid to the treasurer of the municipality where the fire department is located and the treasurer of the municipality shall within 30 days transmit the aid to the relief association if the relief association has filed a financial report with the treasurer of the municipality and has met all other statutory provisions pertaining to the aid apportionment.

The county auditor and commissioner are hereby empowered to make rules and regulations to permit the administration of the provisions of this section.

(2) The county auditor shall apportion the state police aid received by him to each municipality and to the county in the following manner:

(a) For all municipalities maintaining police departments and the county, the state aid shall be distributed by the county auditor in proportion to the total number of police officers, as defined in section 69.011, subdivision 1, clause (h), employed by each municipality and by the county;

(b) For each municipality which contracts with the county for police service, a proportionate amount of the state aid distributed to the county based on the full time equivalent number of police officers providing contract service shall be credited against the municipality's contract obligation;

(c) For each municipality which contracts with another municipality for police service, a proportionate amount of the state aid distributed to the municipality providing contract service based on the full time equivalent number of police officers providing contract service on a full time equivalent basis shall be credited against the contract obligation of the municipality receiving contract service;

(d) No municipality entitled to receive police state aid shall be apportioned less police state aid for any year under Laws 1976, Chapter 315, than the amount which was apportioned to it for calendar year 1975 based on premiums reported to the commissioner for calendar year 1974; provided, the amount of police state aid to other municipalities within the county and to the county shall be adjusted in proportion to the total number of police officers in the municipalities and the county, so that the amount of police state aid apportioned shall not exceed the amount of police state aid available for apportionment.

The county auditor and commissioner are hereby empowered to make rules and regulations to permit the administration of the provisions of this section.

[For text of subds 8 and 9, see M.S.1976]

[1977 c 429 s 6-8]

69.031 Commissioner of finance's warrant, appropriation, payment and administration.

[For text of subds 1 to 4, see M.S.1976]

Subd. 5. **Deposit of state aid.** (1) The municipal treasurer, when the state aid

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and tax is received by him, shall within 30 days after receipt pay over the portion of it attributed to premiums reported on the Minnesota Firetown Premium Report to the treasurer of the duly incorporated firemen's relief association if there is one organized and the association has filed a financial report with the municipality; but if there is no relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep the money in the municipal treasury as provided for in sections 424.30 and 424.31 and shall be disbursed only for the purposes and in the manner set forth in those sections.

(2) The municipal treasurer, upon receipt of the state aid and tax attributed to insurance premiums reported on the Minnesota Aid to Police Premium Report, shall disburse the state aid in the following manner.

(a) For a municipality in which a local police relief association exists and all police officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all police officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association; or

(c) For a municipality in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in this subdivision, to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b) on the basis of the respective number of active full time police officers, as defined in section 69.011, subdivision 1, clause (h).

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association.

[For text of subd 6, see M.S.1976]

[1977 c 429 s 9]

69.06 Service pensions.

Every fire department relief association organized under any laws of this state when its certificate of incorporation or bylaws so provide may pay out of any funds received from the state, or other source, a service pension in such amount, not exceeding \$60 per month, as hereinafter authorized, or as may be provided by

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its bylaws, to each of its members who has heretofore retired or may hereafter retire, who has reached or shall hereafter reach the age of 50 years and who has done or hereafter shall do active duty for 15 years or more as a member of a volunteer, paid or partially paid and partially volunteer, fire department in the municipality where the association exists, and who has been or shall hereafter be a member of such fire department relief association at least ten years prior to such retirement and who complies with such additional conditions as to age, service, and membership as may be prescribed by the certificate or bylaws of the association.

The association may also pay a service pension to each of its members who has done or hereafter does active duty for ten years or more, but less than 15 years, as a member of the fire department of the city and who is otherwise eligible to receive a service pension under this section and the bylaws of the association. The amount of service pension shall be 75 percent of the amount of the service pension payable upon completion of 15 years of service prorated on the basis that the number of years of service completed bears to 15 years.

The amount of monthly pension which may be paid to such retired firemen may be increased by adding to the maximum above prescribed an amount not exceeding \$4 per month for each year of active duty over 15 years of service before retirement; provided, that no such fire department relief association shall pay to any member thereof a pension in any greater amount than the sum of \$120 per month.

Any such fire department relief association where the majority of its members are volunteer firemen may provide in its certificate of incorporation or bylaws for a service pension in an amount not exceeding \$600 per year of service to be paid in a lump sum where the retiring member qualifies for a service pension under the provisions hereinbefore set forth.

These pensions shall be uniform in amount, except as herein otherwise provided. No such pension shall be paid to any person while he remains a member of the fire department and no person receiving such pension shall be entitled to other relief from the association. No payments made or to be made by the association to any member on the pension role shall be subject to judgment, garnishment, execution, or other legal process and no person entitled to such payment shall have the right to assign the same, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned.

[1977 c 171 s 1]

69.772 Financing pensions.

[For text of subd 1, see M.S.1976]

Subd. 2. The following table shall be used to determine the liability of the special pension fund of the firemen's relief association relative to each active or deferred member of the fund, calculated individually:

Cumulative Year	Accrued Liability
1	\$35
2	71
3	110
4	150
5	192
6	236
7	283
8	332
9	383
10	437
11	494
12	553
13	616
14	681

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15	750
16 and thereafter	50 additional per year

The accrued liability reflected in dollar amounts after each cumulative year of service, is the total liability earned to date for each \$1,000 of lump sum retirement benefit which will be payable to a member after age 50 and 15 years of service in accordance with the state statutes and bylaws of the association. The special fund accrued liability for each individual member shall be that multiple or portion of the amounts listed in the table, that the actual benefits provided by statute and bylaw bear to \$1,000: The total accrued liability of the special fund to the date of calculation shall be the sum of the accrued liability of the special fund as regards to each active member.

[For text of subds 3 to 6, see M.S.1976]

[1977 c 171 s 2]

CHAPTER 70A. INSURANCE RATE REGULATION

Sec.
70A.02 Scope of application.

Sec.
70A.06 Filing requirements.

70A.02 Scope of application.

[For text of subd 1, see M.S.1976]

Subd. 2. **Nonapplication of chapter.** This chapter shall not apply to:

(1) Insurance written by township or farmers' mutual insurance companies subject to the provisions of chapter 67A; insurance written by companies organized pursuant to section 66A.20, or to tornado, cyclone, or hurricane insurance, the consideration for which, except for policy, membership or survey fees, is paid entirely by assessments on policyholders;

(2) Reinsurance, other than joint reinsurance to the extent stated in section 70A.16;

(3) Accident and health insurance;

(4) Insurance against loss of or damage to aircraft, used in scheduled airline operations, including their accessories and equipment, or against liability arising out of the ownership, maintenance, or use of aircraft;

(5) Insurance of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine, insurance policies;

(6) Workers compensation insurance;

(7) Insurance covering any of the liability of an employer exempted from insuring his liability for compensation as provided in section 176.181; and

(8) Disability and double indemnity insurance issued as part of a life insurance contract.

[For text of subd 3, see M.S.1976]

[1977 c 365 s 1]