

CHAPTER 67A

TOWNSHIP MUTUAL COMPANIES

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67A.09 OFFICERS.

Subdivision 1. How elected or chosen. The directors shall choose one of their number as president, one as vice-president, and one as secretary; they shall also choose a treasurer, who need not be a member of the board, but must be a member of the company. They may also choose a manager, who need not be a member of the board, and need not be a member of the company. The offices of secretary and treasurer may be held by the same person.

The board of directors may appoint other officers as it deems necessary for the conduct of business.

[For text of subd 2, see M.S.1988]

History: 1989 c 130 s 1

67A.12 APPLICATIONS.

Subdivision 1. Who may accept. The president, secretary, treasurer, or chosen manager 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 the perils named, for the term therein specified.

[For text of subds 2 to 5, see M.S.1988]

History: 1989 c 130 s 2

67A.14 INSURABLE PROPERTY.

Subdivision 1. Kinds of property. (a) Township mutual fire insurance companies may insure qualified property. Qualified property means dwellings, household goods, appurtenant structures, farm buildings, farm personal property, churches, church personal property, county fair buildings, community and township meeting halls and their usual contents.

(b) Township mutual fire insurance companies may extend coverage to include an insured's secondary property if the township mutual fire insurance company covers qualified property belonging to the insured. Secondary property means any real or personal property that is not considered qualified property for a township mutual fire insurance company to cover under this chapter. The maximum amount of coverage that a township mutual fire insurance company may write for secondary property is 25 percent of the total limit of liability of the policy issued to an insured covering the qualified property.

Subd. 5. What may not be insured; property outside designated territory; exceptions. (a) No township mutual insurance company shall insure any property in cities of the first or second class.

(b) If by annexation or other growth in population a city, town, township or unorganized territory or any portion thereof is reclassified into a city of the second class, a township mutual insurance company may continue to do business in that portion of the city in which it was authorized to do business prior to the reclassification.

(c) A township mutual insurance company may insure any real or personal property, including qualified or secondary property, subject to the limitations in subdivision 1, paragraph (b), located outside of the limits of the territory in which the company is authorized by its certificate or articles of incorporation to transact business, if the

company is already covering qualified property belonging to the insured, inside the limits of the company's territory.

(d) A township mutual fire insurance company may insure property temporarily outside of the authorized territory of the township mutual insurance company.

[For text of subd 7, see M.S.1988]

History: 1989 c 130 s 3,4

67A.17 ASSESSMENTS.

[For text of subds 1 and 1a, see M.S.1988]

Subd. 2. Secretary's duties. It shall be the duty of the secretary or chosen manager, after the assessment is completed, to immediately notify every person composing the company, by letter sent to the person's usual post office address, of the amount of the loss, and the sum due as the person's 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 percent in addition to the amount due on the assessment, as aforesaid, for fees in receiving and paying over the same.

Subd. 3. Member subject to suit and directors' liability. Suits at law may be brought against any member of the company who refuses or neglects to pay any assessment. The articles may eliminate or limit a director's personal liability to the company or its members for monetary damages for breach of fiduciary duty as a director. The articles shall not eliminate or limit the liability of a director:

- (1) for breach of loyalty to the company or its members;
 - (2) for acts or omissions made in bad faith or with intentional misconduct or knowing violation of law;
 - (3) for transactions from which the director derived an improper personal benefit;
- or
- (4) for acts or omissions occurring before the date that the provisions in the articles eliminating or limiting liability become effective.

History: 1989 c 130 s 5,6