

67A.36 LOSSES.

Subdivision 1. **Procedure in case of loss.** Every member sustaining loss or damage by named perils shall immediately notify the secretary, who, if the claim exceeds \$300, 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 bylaws so provide, the secretary may act in place of, and with all the authority of, the committee; and when the claim does not exceed \$300, the loss may be ascertained by the president and secretary, or either, with like authority.

Subd. 2. **Arbitration.** 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.

Subd. 3. **Assessments.** When any loss shall be ascertained which exceeds in amount the cash funds of the company, the secretary, or, in the secretary's absence, the president, shall convene the directors, who shall levy an assessment upon each policyholder for the proportionate amount to be paid 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.

History: 1967 c 395 art 8 s 36; 1986 c 444