

71A.03 UNEARNED PREMIUM RESERVE.

Subdivision 1. **How calculated.** There shall at all times be maintained as a reserve a sum, in cash or convertible securities, equal to 50 percent of the net annual deposits collected and credited to the accounts of the subscriber on policies in force having one year or less to run and pro rata on those for longer periods. Net annual deposits shall be construed to mean the advance payments of subscribers after deducting therefrom the amounts specifically provided in the subscribers' agreements for expenses.

Subd. 2. **Minimum reserve.** These sums shall at no time be less than \$25,000 and, if at any time, 50 percent of the deposits, so collected and credited, shall not equal that amount, the subscribers shall make up any deficiency.

History: 1967 c 395 art 11 s 3