66A.13 MUTUAL FIRE COMPANIES; REQUIREMENTS WHEN NOTE GIVEN.

Except as provided in section 66A.12, when a note or other written evidence of indebtedness is given for any premium due, or to become due, upon any insurance of property, except marine, the same shall be full payment therefor and operate to continue the same in full force during the term thereof, except that when any such note or other written evidence of indebtedness is not paid at maturity the policy for which the same was premium, in whole or in part, may be canceled upon notice and in the same manner as though the premium was paid in cash and the surrender of the note or other written evidence of indebtedness shall constitute a return or payment of the unearned portion of premium, and in such event the parties liable on the note or evidence of indebtedness shall be liable for and shall pay the premium earned prior to the cancellation and no more. In case of any cancellation of a policy, any note or notes, or written evidence of indebtedness given for whole or part of the premium thereon may be by insurer returned to the insured in lieu of cash to the extent of the unpaid amount thereof, plus accrued interest. No note given for premiums or deposit for assessment, or both, or for any part of either, shall be negotiable and every assignment thereof shall be subject to all existing defenses. Nor shall any such notes be valid for any purpose unless the words "not negotiable" are plainly and legibly written or printed across the face thereof.

History: *1967 c 395 art 7 s 13*