

CHAPTER 71

FIRE INSURANCE RATING BUREAUS; RECIPROCAL EXCHANGES;
FOREIGN COMPANIES; MISCELLANEOUS

<p>Sec. 71.01 Fire insurance rating bureaus; examination 71.02 Discriminatory rates forbidden; written statements of variation filed 71.03 Fire insurance companies members of rating bureau 71.04 Risks inspected 71.05 Rating agreements submitted for approval to commissioner 71.06 Commissioner to review rates fixed by bureau; appeals; application 71.07 Reciprocal or interinsurance contracts 71.08 What must be filed with commissioner 71.09 Commissioner as agent for service 71.10 Maximum amount of indemnity 71.11 Reserve fund 71.12 Annual report 71.13 Exchange of contracts 71.14 Certificate of authority to be secured 71.15 Annual license fee 71.16 Foreign companies; requirements; certificates 71.17 Service of garnishee process</p>	<p>Sec. 71.18 Commissioner appointed attorney for service of process 71.19 Fees; appointment of additional clerk 71.20 Deposit made with commissioner 71.21 Trustees appointed, when 71.22 Method of insurance; war; reinsurance 71.23 Retaliatory provisions 71.24 Insurance from unlicensed foreign companies 71.25 Lloyds plan for mutual companies; requisites for qualification 71.26 Renewal of license 71.27 Mutual companies; when permitted 71.28 Mutual fire companies; policies, when authorized 71.29 Powers 71.30 Hall insurance, policies, loss adjustment 71.31 Fidelity and surety companies 71.32 Certain state property insured by conservator of rural credit; state prison also insured 71.33 Lack of care in keeping property safe from fire loss nonfeasance in office 71.34 Violations; penalties</p>
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71.01 FIRE INSURANCE RATING BUREAUS; EXAMINATION. The commissioner may address inquiries to any individual, association, or bureau which is or has been engaged in making rates or estimates for rates for fire insurance upon property in this state in relation to its organization, maintenance, or operation, or any other matter connected with its transactions and may require the filing of schedules, rates, forms, rules, regulations, and other information; and it shall be the duty of every such individual, association, or bureau, or some officer thereof, to promptly make such filing and reply to such inquiries in writing.

The commissioner shall have power to examine any such rating bureau as often as he deems it expedient to do so and shall do so not less than once every three years. A report thereof shall be filed in his office. The commissioner may waive such examination upon the filing with him of a report of an examination made by some other insurance department or proper supervising officer within the three years. A statement with regard to such examination shall be made in the annual report of the commissioner.

[1915 c. 101 s. 1] (3604)

71.02 DISCRIMINATORY RATES FORBIDDEN; WRITTEN STATEMENTS OF VARIATION FILED. No fire insurance company or other insurer against the risk of fire or lightning, nor any rating bureau, shall fix or charge any rate for fire insurance upon property in this state which discriminates unfairly between risks in the application of like charges and credits or which discriminates unfairly between risks of essentially the same hazards and having substantially the same degree of protection against fire.

Any company or other insurer which shall desire to make any variation from the bureau rate upon any class of risks may do so, but shall file with the commissioner and with the bureau of which it is a member or to which it is a subscriber a written statement of the variation at least 15 days in advance of the variation taking effect, and the variation shall be uniform and applicable to all risks of essentially the same hazard in the class for which the variation is made. If any insurer grants a lower rate on any class of property than that fixed by the rating bureau of which it is a member or subscriber, or by the commissioner, as provided by sections 71.01 to 71.06, this rate shall not be increased by the insurer until one year has elapsed, without the approval of the commissioner. A declaration filed with the commissioner by any insurance company of its intention to write insurance at a uniform variation of a certain per cent from the bureau rate shall be a sufficient compliance with the requirements of this section.

[1915 c. 101 s. 2] (3605)

71.03 FIRE INSURANCE COMPANIES MEMBERS OF RATING BUREAU. Every fire insurance company or other insurer authorized to effect insurance against the risks of loss or damage by fire or lightning in this state shall maintain, or be a member of, a rating bureau. No such insurer shall be a member of more than one rating bureau for the purpose of rating the same risk.

A rating bureau may consist of one or more insurers and when consisting of two or more insurers shall admit to membership any authorized insurer applying therefor. The expenses of the bureau shall be shared in proportion to the gross premiums received by each member during the preceding year in this state, to which may be added a reasonable annual fee of not to exceed \$50.00. Each member shall have one vote.

Every rating bureau shall maintain an office within the United States.

Every fire insurance company or other insurer shall annually on or before February first report to the commissioner in writing each rating bureau of which it is a member and during the year file written notice of any other rating bureau of which it shall become a member.

[1915 c. 101 s. 3] (3606)

71.04 RISKS INSPECTED. Every rating bureau engaged in making rates or estimates for rates for fire insurance on property in this state shall inspect every risk especially rated by it upon schedule and make a written survey of the risk, which shall be filed as a permanent record in the office of the bureau. A copy of this survey shall be furnished to the owner upon request.

[1915 c. 101 s. 4] (3607)

71.05 RATING AGREEMENTS SUBMITTED FOR APPROVAL TO COMMISSIONER. No fire insurance company or any other insurer and no rating bureau, or any representative of any fire insurance company or other insurer or rating bureau, shall enter into or act upon any agreement with regard to the making, fixing, or collecting of any rate for fire insurance upon property within this state, unless in compliance with sections 71.01 to 71.06.

The agreement must be in writing and, prior to its taking effect, must be approved by the commissioner and a copy thereof, together with a copy of the order of approval, filed with the commissioner and with each rating bureau of which any of the parties thereto shall be a member or subscriber.

The commissioner shall, after notice to interested parties and hearing as provided in section 71.06, make an order either approving or disapproving any such agreement. The order shall be subject to review by the district court in the manner provided in section 71.06.

[1915 c. 101 s. 5; 1929 c. 321 s. 1] (3608)

71.06 COMMISSIONER TO REVIEW RATE FIXED BY BUREAU; APPEALS; APPLICATION. The commissioner shall have power at any time on written petition or upon his own motion to review any rate fixed by any bureau for fire insurance upon property within this state, for the purpose of determining whether the same is discriminatory or unjust. He shall have power to order the discriminatory or unjust rate removed and fix and order a rate in lieu of the bureau rate found to be discriminatory or unjust and the rate so ordered and fixed shall become the bureau rate.

No increase in fire insurance rates affecting the general rates or rating classification in the entire state or in an entire zone, city, village, town, county, or other political subdivision shall go into effect until the same has been approved by the commissioner after notice to the interested parties hereinafter provided and hearing thereon. The commissioner may hold a hearing on any decrease of rates as herein provided at his discretion.

Proceedings for the review of any rate increase fixed by any bureau or for an increase in fire insurance rates affecting the entire state, or an entire zone, city, village, town, or county, shall be had as follows: Upon the institution of the proceedings or the filing of a petition for an order approving an increase in rates, the commissioner shall make an order fixing a time and place for a public hearing and give notice of the hearing by mailing a copy of the order to the chief executive officer and the recording officer of each political subdivision affected by the change at least three weeks prior to the date fixed by the order. The commissioner in his discretion may give additional notice by publication of a copy of the order in a legal newspaper in the seat of government in the various political subdivisions affected.

Any person aggrieved by any such order or decision made by the commissioner may appeal therefrom to the district court of the county where the aggrieved party may reside, within 30 days from the making and filing of the order or decision, by filing in the office of the commissioner a notice of the appeal in writing and in this case the commissioner shall, within ten days after the filing of the notice, make and return to the district court a full and complete certified transcript of the findings and order appealed from and of all parts relating thereto on file in his office, including the notice of appeal, and upon the filing of the certified transcript the appeal and all matters involved therein shall be brought on for trial upon the merits at the next term of the court after the filing of the transcript, unless otherwise ordered by the court; and upon the trial the findings of fact on which the order is based shall be prima facie evidence of the matters therein stated.

During the pendency of the proceedings upon review the order of the commissioner shall be suspended, but in event of final determination against any insurer, any overcharge by the insurer during review shall be refunded to the persons entitled thereto.

The provisions of sections 71.01 to 71.06 shall not apply to county or township mutual insurance companies.

[1915 c. 101 ss. 6, 8; 1929 c. 321 s. 2] (3609, 3611)

71.07 RECIPROCAL OR INTERINSURANCE CONTRACTS. Individuals, partnerships and corporations, public or private, of this state, hereby designated subscribers, are hereby authorized to exchange reciprocal or interinsurance contracts with each other, or with individuals, partnerships, and corporations, public or private, of other states and countries, providing indemnity among themselves for any loss which may be insured against under other provisions of the laws, excepting life and marine insurance; provided, that public corporations may so exchange reciprocal or interinsurance contracts only when the issuing exchange has a surplus of \$300,000 or more and said contracts are issued without contingent liability.

These contracts may be executed by an attorney, agent, or other representative, herein designated attorney, duly authorized and acting for such subscribers.

[1913 c. 464 ss. 1, 2; 1945 c. 594 s. 1] (3587, 3588)

71.08 WHAT MUST BE FILED WITH COMMISSIONER. The subscribers so contracting among themselves shall, through their attorney, file with the commissioner a declaration, verified by the oath of the attorney, setting forth:

(1) The name or title of the office at which the subscribers propose to exchange these indemnity contracts, which shall not be so similar to any other name or title previously adopted by a similar organization or by any insurance corporation or association as in the opinion of the commissioner is calculated to result in confusion or deception;

(2) The kind or kinds of insurance to be effected or exchanged;

(3) A copy of the form of policy contract or agreement under or by which the insurance is to be effected or exchanged;

(4) A copy of the form of power of attorney or other authority of the attorney under which the insurance is to be effected or exchanged;

(5) The location of the office or offices from which these contracts or agreements are to be issued;

(6) That applications have been made for indemnity upon at least 100 separate risks aggregating not less than \$1,500,000, as represented by executed contracts or bona fide applications, to become concurrently effective, or, in case of liability or compensation insurance covering a total pay-roll of not less than \$1,500,000;

(7) That there is on deposit with this attorney and available for the payment of losses a sum of not less than \$25,000. In case of employers' liability or workmen's compensation insurance or liability insurance covering damage to persons or property of others by automobiles not used as carriers of passengers for hire, that there is on deposit with the attorney and available for the payment of losses a sum of not less than \$75,000.

In the case of liability insurance covering damage to persons or property of others by automobiles engaged as carriers of passengers for hire, the subscribers to these contracts shall have on deposit with this attorney and available for the payment of losses not less than \$100,000.

[1913 c. 464 s. 3; 1917 c. 352 s. 1; 1919 c. 512 s. 1] (3589)

71.09 COMMISSIONER AS AGENT FOR SERVICE. Concurrently with the filing of the declaration provided for by the terms of section 71.08 the attorney shall file with the commissioner an instrument in writing executed by him for the subscribers, conditioned that upon the issuance of the certificate of authority provided for in section 71.14, service of process may be had upon the commissioner in all suits in this state arising out of these policies, contracts, or agreements, which service shall be valid and binding upon all subscribers exchanging at any time reciprocal or interinsurance contracts through such attorney. Three copies of the process shall be served and the commissioner shall file one copy, forward one copy to the attorney, and return one copy with his admission of service.

[1913 c. 464 s. 4] (3590)

71.10 MAXIMUM AMOUNT OF INDEMNITY. There shall be filed with the commissioner by such attorney a statement under his oath showing the maximum amount of indemnity upon any single risk, and such attorney shall when and as often as the same shall be required file with the commissioner a statement verified by his oath to the effect that he has examined the commercial rating of these subscribers, as shown by the reference book of a commercial agency having at least 100,000 subscribers, and that from this examination or from other information in his possession it appears that no subscriber has assumed on any single risk an amount greater than ten per cent of the net worth of the subscriber.

[1913 c. 464 s. 5] (3591)

71.11 RESERVE FUND. There shall at all times be maintained as a reserve a sum, in cash or convertible securities, equal to 50 per cent 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. These sums shall at no time be less than \$25,000 and, if at any time, 50 per cent of the deposits, so collected and credited, shall not equal that amount, the subscribers shall make up any deficiency.

In case of the failure of any such reciprocal or interinsurance exchange to comply with any of the provisions of sections 71.07 to 71.15, it shall be the duty of the commissioner to immediately declare its license revoked and, in case of such revocation, the reciprocal or interinsurance exchange shall not be again licensed to transact business in this state for the period of one year from the date of the revocation.

[1913 c. 464 s. 6; 1917 c. 352 s. 2; 1919 c. 512 s. 2] (3592)

71.12 ANNUAL REPORT. This attorney shall make a report to the commissioner for each calendar year on the first day of March showing the financial condition of affairs at the office where the contracts are issued and furnish such additional information and reports as may be required.

This attorney shall not be required to furnish the names and addresses of any subscribers nor the loss ratio.

The business affairs and assets of these organizations shall be subject to examination by the commissioner.

[1913 c. 464 s. 7] (3593)

71.13 EXCHANGE OF CONTRACTS. Any corporation now or hereafter organized under the laws of this state shall, in addition to the rights, powers, and franchises specified in its articles of incorporation, have full power and authority to exchange insurance contracts of the kind and character herein mentioned. The right to exchange these contracts is hereby declared to be incidental to the purposes for which the corporations are organized and as much granted as the rights and powers expressly conferred.

Except as herein provided, no law of this state shall apply to the exchange of these indemnity contracts.

[1913 c. 464 ss. 8, 12] (3594, 3598)

71.14 CERTIFICATE OF AUTHORITY TO BE SECURED. Each attorney by or through whom are issued any policies of or contracts for indemnity of the character referred to in sections 71.07 to 71.15 shall procure from the commissioner annually a certificate of authority stating that all the requirements of sections 71.07 to 71.15 have been complied with and, upon such compliance and the payment of the fees required by sections 71.07 to 71.15, the commissioner shall issue this

MINNESOTA STATUTES 1945

71.15 FIRE INSURANCE RATING

662

certificate. In case of a breach of any of the conditions imposed by the provisions of sections 71.07 to 71.15, the commissioner may revoke the certificate of authority issued thereunder.

[1913 c. 464 s. 10] (3596)

71.15 ANNUAL LICENSE FEE. This attorney, in lieu of all taxes, state, county, and municipal, shall pay to the state with the filing of each annual report as an annual license fee two per cent of the gross premiums or deposits for the preceding calendar year, deducting all amounts returned to-subscribers or credited to their accounts; and he shall pay a filing fee of \$2.00.

[1913 c. 464 s. 11] (3597)

71.16 FOREIGN COMPANIES; REQUIREMENTS; CERTIFICATES. Any insurance company of another state, upon compliance with all laws governing such corporations in general and with the foregoing provisions so far as applicable and the following requirements, shall be admitted to do business in this state:

(1) It shall deposit with the commissioner a certified copy of its charter or certificate of incorporation and its by-laws, and a statement showing its financial condition and business, verified by its president and secretary or other proper officers;

(2) It shall furnish the commissioner satisfactory evidence of its legal organization and authority to transact the proposed business and that its capital, assets, deposits with the proper official of its own state, amount insured, number of risks, reserve and other securities, and guaranties for protection of policyholders, creditors, and the public, comply with those required of like domestic companies;

(3) By a duly executed instrument filed in the office of the commissioner, it shall appoint him and his successors in office its lawful attorneys in fact and therein irrevocably agree that legal process in any action or proceeding against it may be served upon them with the same force and effect as if personally served upon it, so long as any of its liability exists in this state;

(4) It shall appoint, as its agents in this state, residents thereof, and obtain from the commissioner a license to transact business therein.

[R. L. s. 1705] (3711)

71.17 SERVICE OF GARNISHEE PROCESS. When garnishee process is served upon the commissioner, as attorney for any insurance company, no garnishee fee shall be paid him. After the receipt of copy of the process the insurance company may demand of the attorney of the person making the garnishee the proper fees, and if the demand is not complied with before the day fixed for the disclosure of the garnishee, the proceeding may be dismissed.

[1905 c. 229 s. 7] (3712)

71.18 COMMISSIONER APPOINTED ATTORNEY FOR SERVICE OF PROCESS. Before any corporation, association, or company issuing policies of insurance of any character and not organized or existing pursuant to the laws of this state is admitted to or authorized to transact the business of insurance in this state, it shall, by a duly executed instrument to be filed in the office of the commissioner, constitute and appoint the commissioner and his successors in office its true and lawful attorney, upon whom proofs of loss, any notice authorized or required by any contract with the company to be served on it, summonses and all lawful processes in any action or legal proceeding against it may be served, and that the authority thereof shall continue in force irrevocable so long as any liability of the company remains outstanding in this state.

This instrument shall contain a provision and agreement declaring that the company, association, or corporation desires to transact the business of insurance in this state, and that it will accept a license therefor according to the laws of this state.

In case of the failure of any such insurance company to comply with any of the provisions of sections 71.18 and 71.19, or if it shall violate any of the conditions or agreements contained in the instrument filed, its right to transact insurance business in this state shall cease and it shall be the duty of the commissioner to immediately declare its license revoked; and, in case of revocation, the company shall not be again licensed to transact business in this state for the period of one year from date of the revocation.

[1911 c. 312 s. 1] (3713)

71.19 FEES; APPOINTMENT OF ADDITIONAL CLERK. The commissioner shall be entitled to charge and receive a fee of \$2.00 for each notice, proof of loss, summons, or other process served upon him under the provisions of sections 71.18 and 71.19, to be paid by the persons serving the same. The fees so collected shall be paid into the state treasury as is now provided by law for other fees collected by the commissioner. The commissioner is authorized to employ a clerk to carry out the provisions of sections 71.18 and 71.19 at a salary of not to exceed \$1,200, which sum is hereby annually appropriated out of the revenue fund of the state.

[1911 c. 312 s. 3] (3715)

71.20 DEPOSIT MADE WITH COMMISSIONER. Such company of any foreign country, except fraternal beneficiary associations, shall not be admitted until, besides complying with the foregoing requirements, it has made a deposit with the commissioner, or with the proper officer of some other state of the United States, of a sum not less than the capital required of a like company by the laws of this state and this deposit shall be of the same class of securities and subject to the same limitations required for the deposit of domestic companies that must by law maintain a deposit.

This deposit shall be in exclusive trust for all its policyholders and creditors in the United States, and for all purposes of the insurance laws shall be deemed its capital.

[R. L. s. 1706; 1909 c. 478 s. 1] (3716)

71.21 TRUSTEES APPOINTED, WHEN. Any company of a foreign country may duly appoint one or more citizens of the United States, approved by the commissioner, to hold funds or other property for the benefit of its policyholders and creditors therein. A certified copy of their appointment and of the instrument of trust shall be filed with the commissioner, who shall have the same authority in the premises as in the case of the affairs of all companies. These funds shall be invested in the same securities as required of other insurance companies and, together with the deposits required, shall constitute the assets of the company in respect to its policyholders and creditors in the United States.

[R. L. s. 1707] (3719)

71.22 METHOD OF INSURANCE; WAR; REINSURANCE. No foreign company shall make its insurance contracts upon lives, property, or interests in this state except through lawfully constituted and licensed resident agents and when it effects reinsurance otherwise than through these agents the entire tax thereon shall be paid by the original company and no reduction shall be made on account of the reinsurance. No policy of insurance issued to a citizen of this state shall be invalidated by the occurrence of hostilities between any foreign country and the United States.

[R. L. s. 1708] (3720)

71.23 RETALIATORY PROVISIONS. When by the laws of any other state or country any taxes, fines, deposits, penalties, licenses, or fees, in addition to or in excess of those imposed by the laws of this state upon foreign insurance companies and their agents doing business in this state, are imposed on insurance companies of this state and their agents doing business in that state or country, or when any conditions precedent to the right to do business in that state are imposed by the laws thereof, beyond those imposed upon these foreign companies by the laws of this state, the same taxes, fines, deposits, penalties, licenses, fees, and conditions precedent shall be imposed upon every similar insurance company of that state or country and their agents doing or applying to do business in this state so long as these foreign laws remain in force.

[1907 c. 420 s. 1] (3721)

71.24 INSURANCE FROM UNLICENSED FOREIGN COMPANIES. When any person, firm, or corporation desires to obtain insurance upon any property in this state in companies not authorized to do business therein he or they shall give bond to the commissioner in such sum as he shall deem reasonable, with satisfactory resident sureties, conditioned that the obligors, on the expiration of a license to obtain such insurance, shall pay to the commissioner, for the use of the state, a tax of two per cent upon the gross premiums paid by the licensee. Thereupon the commissioner shall issue such license, good for one year, and all insurance procured thereunder shall be lawful and valid and the provisions of all policies thereof shall be deemed in accordance, and construed as if identical in effect, with the standard policy prescribed by the laws of this state and the insurers may enter the

state to perform any act necessary or proper in the conduct of the business. This bond may be enforced by the commissioner in his own name in any district court. The licensee shall file with the commissioner on June thirtieth and December thirty-first annually a verified statement of the aggregate premiums paid and returned premiums received on account of such insurance.

[R. L. s. 1649] (3722)

71.25 LLOYDS PLAN FOR MUTUAL COMPANIES; REQUISITES FOR QUALIFICATION. Associations of individuals, citizens of the United States, whether organized within this state or elsewhere within the United States, formed upon the plan known as Lloyds, whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy, may be authorized to transact insurance other than life in this state in such manner and on such terms as the commissioner may direct, providing that if the organization shall be possessed of cash on hand and securities of the underwriters satisfactory to the commissioner, after deducting all liabilities except insurance reserve, to the amount of not less than \$250,000; and, in addition thereto, possessed of guaranteed subscriptions or other securities of the underwriters satisfactory to the commissioner to an amount of not less than \$250,000, making a total of \$500,000 so possessed; and, if the net cash on hand shall be equal to the reinsurance reserve calculated on a basis of 50 per cent of the premiums in force on policies running one year or less from date of policy and a pro rata amount on policies running more than one year from date of policy, except upon inland and marine risks, which shall be computed by charging 50 per cent of the premium written in its policies upon yearly risks and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other inland and marine risks not terminated, and such other reserves as may be required by law and the commissioner; and, if evidence shall be furnished to the commissioner that the underwriters are men of good financial standing, responsible for their obligations, and that the organization does not issue policies of insurance on any one risk in greater sums than one-fifth of the aggregate of the cash paid in, the aforesaid securities and the subscriptions of the several underwriters or the amount to which they may become liable, unless the excess shall be provided for by reinsurance, the commissioner shall license them under similar requirements as are made and prescribed in Laws 1895, Chapter 175, as amended, for the admission of foreign mutual fire insurance companies so far as the same may reasonably apply. The associations of individuals known as Lloyds are herein expressly authorized to transact insurance known as sprinkler leakage insurance.

[1895 c. 175 s. 85; 1905 c. 130; 1913 c. 534 s. 1] (3533)

71.26 RENEWAL OF LICENSE. No Lloyds not now licensed to do business in this state shall hereafter be licensed except upon complying with the provisions of sections 71.25 and 71.26, but Lloyds heretofore licensed and now doing business under the provisions of section 71.25 may have their license renewed without increasing their cash and securities and subscriptions on hand to the amount required, in sections 71.25 and 71.26, provided they shall set aside the reserves required by sections 71.25 and 71.26.

[1913 c. 534 s. 2] (3534)

71.27 MUTUAL COMPANIES; WHEN PERMITTED. No policy shall be issued by a mutual fire company, other than a town or farmers' company, until not less than \$750,000 of insurance in not less than 300 separate risks, upon property in this state, has been subscribed for and entered upon the books, except in the following cases:

(1) Those organized to insure creamery and cheese factory buildings, their contents and equipments, exclusively, which may issue policies when not less than \$50,000 of insurance, in not less than 25 separate risks, upon such buildings and contents, in this state, has been subscribed for and so entered; and the name of every such company shall include the words "Mutual creamery fire insurance company," and it shall issue no policy except upon the class of risks aforesaid;

(2) Those organized to insure the stock in trade, tools, and fixtures of retail hardware dealers, or the buildings containing the same when owned by the owner of the stock, tools, and fixtures, or both, which may issue policies when not less than \$500,000 of insurance, in not less than 200 separate risks, upon such property in this state, has been subscribed for and entered upon the books; and the name

of every such company shall include the words "Mutual retail hardware fire insurance company," and it shall issue no policy except as above specified;

(3) Those organized to insure dwelling houses, their contents, barns, live stock, and vehicles, which may issue policies when not less than \$250,000 of insurance, in not less than 200 separate risks, upon such property located within the state, has been subscribed for and entered upon their books; and the name of every such company shall include the words "Mutual dwelling house fire insurance company," and it shall issue no policy except upon the class of risks aforesaid; and

(4) Those organized to insure printing material, machinery, and stock in trade of newspaper publishers and printers, or the building containing the same, or the dwelling house and contents when owned by the owner of the printing material, machinery, and stock in trade, or both, which may issue policies when not less than \$200,000 of insurance, in not less than 200 separate risks, upon such property located within this state, has been subscribed for and entered upon their books.

[R. L. s. 1648] (3535)

71.28 MUTUAL FIRE COMPANIES; POLICIES, WHEN AUTHORIZED. No policy shall be issued by a purely mutual fire insurance company hereafter organized until not less than \$750,000 of insurance, in not less than 300 separate risks, upon property located in this state, has been subscribed for and entered upon the books and the premiums thereon for one year paid in cash, which premiums shall aggregate not less than \$7,500 in cash, except that where the mutual insurance company is organized to issue policies exclusively upon dwelling houses, their contents, barns, live stock, and vehicles, or exclusively upon the property of any one church or of any one religious denomination, and the church property or properties and equipment and furnishings thereof, or exclusively upon the stock in trade, tools, fixtures, building containing the same, of one specified line of business, and the dwelling houses, barns, and buildings appurtenant thereto and vehicles and live stock contained therein, and when the same are owned and occupied by the person so engaged in the business, trade, or vocation, it may issue policies insuring such stock in trade, tools, fixtures, buildings containing the same, the dwelling houses and the contents thereof, barns, live stock, and vehicles when there has been subscribed the amount of insurance hereinafter specified:

(1) Those organized to insure creamery and cheese factory buildings, their contents and equipments, and the dwelling house and contents, and barn, live stock, and vehicles of the owner of the creamery or factory, may issue policies when not less than \$50,000 of insurance, in not less than 25 separate risks, upon these buildings and contents in this state, has been subscribed for and so entered and the premiums thereon for one year paid in cash, which premiums shall aggregate not less than \$1,000 in cash; and the name of every such company shall include the words "Mutual creamery fire insurance company," and it shall issue no policy except upon the class of risks aforesaid;

(2) Those organized to insure the stock in trade, tools, and fixtures of retail hardware dealers, the buildings containing the same, and the dwelling house and its contents, barns, live stock, and vehicles owned by these dealers, may issue policies when not less than \$500,000 of insurance, in not less than 200 separate risks, upon such property in this state, has been subscribed for and entered upon its books and the premiums thereon for one year paid in cash, which premiums shall aggregate not less than \$5,000 in cash; and the name of every such company shall include the words "Mutual retail hardware fire insurance company," and it shall issue no policy except as above specified;

(3) Those organized to insure dwelling houses, their contents, barns, live stock, and vehicles, exclusively, may issue policies when not less than \$250,000 of insurance, in not less than 200 separate risks, upon such property located within this state, has been subscribed for and entered upon their books and the premiums thereon for one year paid in cash, which premiums shall aggregate not less than \$2,500 in cash; and the name of every such company shall include the words "Mutual dwelling house fire insurance company," and it shall issue no policy except upon the class of risks aforesaid;

(4) Those organized to insure printing material, machinery, and stock in trade of newspaper publishers and printers, the buildings containing the same, and the dwelling house and its contents, barns, live stock, and vehicles, when such buildings and contents are owned and occupied by the owner of the printing material, machinery, and stock in trade may issue policies when not less than \$200,000 of

insurance, in not less than 200 separate risks, upon such property located in this state, has been subscribed for and entered upon such companies' books and the premiums thereon for one year paid in cash, which premiums shall aggregate not less than \$2,000 in cash; and the name of every such company shall include the words "Mutual publishers' fire insurance company," and it shall issue no policy except upon the class of risks aforesaid;

(5) Those organized to insure grain elevators, warehouses and cribs, machinery, grain, sacks, and tools appurtenant to or contained in such elevators, warehouses, and cribs, and dwelling house and contents, barns, live stock, and vehicles when such buildings and contents are owned and occupied by the owner of the grain elevator, may issue such policies when not less than \$100,000 of insurance, in not less than 50 separate risks, upon such property in this state, has been subscribed for and entered upon the books of such companies and the premiums thereon for one year paid in cash, which premiums shall aggregate not less than \$1,000 in cash; and the name of the company shall include the words "Mutual grain dealers' fire insurance company," and it shall issue no policy except upon the class of risks aforesaid; and

(6) Those organized to insure exclusively the property of any one church or any one religious denomination, and the church property and equipment and furnishings thereof of any one church or any one religious denomination may issue policies when not less than \$100,000, in not less than 50 separate risks, upon these properties, has been subscribed for and so entered, and the premiums thereon for one year paid in cash, which premiums shall aggregate not less than \$1,000 in cash; and the name of every such company shall include the words "Mutual denominational fire insurance company," and it shall issue no policy except upon the class of risks aforesaid.

This section shall not be construed as a repeal of section 66.17.

[*R. L. s. 1648; 1905 c. 117 s. 1; 1925 c. 172*] (3536)

71.29 POWERS. Any company heretofore organized and doing business under section 71.28, clause (1), which for 15 years prior to the passage of this section has insured creamery and cheese factory buildings, their contents and equipments, and the dwelling houses and contents and barn, live stock, and vehicles of the owner of the creamery or factory, and which has assets of \$100,000, may issue policies in addition thereto to cover farmers' elevators, cooperatively owned warehouses, cooperative filling stations, cooperative oil companies, and all cooperatively owned or organized enterprises.

[1935 c. 97 s. 1] (3536-1)

71.30 HAIL INSURANCE, POLICIES, LOSS ADJUSTMENT. Every policy of insurance against damage by hail issued by any company, however organized, shall provide as follows: "In case of loss under this policy, and failure of the parties to agree as to the amount of such loss, it is mutually agreed that such amount shall be referred to three disinterested men, the company and the insured each choosing one out of three persons named by the other, the third being selected by such two. The written award of a majority of such referees shall be final and conclusive upon the parties as to amount of loss, and such reference, unless waived by the parties, shall be a condition precedent to any right of action to recover for such loss, and no suit for the recovery of any claim by virtue of this policy shall be sustained unless commenced within six months after the loss occurred," and shall provide the form, manner, and length of notice to be given to the company by the insured of any loss sustained.

[1927 c. 419] (3532-1)

71.31 FIDELITY AND SURETY COMPANIES. No company for guaranteeing the fidelity of persons in fiduciary positions, public or private, or for acting as surety, shall transact any business in this state until it shall have satisfied the commissioner that it has complied with all the provisions of law relative to security prescribed for foreign life companies so far as applicable and obtained his certificate to that effect. Thereupon it shall be authorized to execute as sole or joint surety any bond, undertaking, or recognizance which, by any municipal or other law, or by the rules or regulations of any municipal or other board, body, organization, or officer, is required or permitted to be made, given, tendered, or filed for the security or protection of any person, corporation, or municipality, or any department thereof, or of any other organization, conditioned for the doing or omitting of anything in

such bond or other instrument specified or provided; and any and all courts, judges, officers, and heads of departments, boards, and municipalities required or permitted to accept or approve of the sufficiency of any such bond or instrument may in their discretion accept the same when executed, or the conditions thereof guaranteed solely or jointly by any such company, and the same shall be in all respects full compliance with every law or other provisions for the execution or guaranty by one surety or by two or more sureties, or that sureties shall be residents or householders, or freeholders, or all or either.

[R. L. s. 1686] (3710)

71.32 CERTAIN STATE PROPERTY INSURED BY CONSERVATOR OF RURAL CREDIT; STATE PRISON ALSO INSURED. No public funds shall be expended on account of any insurance upon state property against loss or damage by fire or tornado, nor shall any state officer or board contract for or incur any indebtedness against the state on account of any such insurance, except that the division of public institutions of the department of social security is authorized in its discretion to insure the State of Minnesota against loss by fire or tornado to the state prison at Stillwater, or the contents thereof, in any insurance companies licensed to do business in this state, in such an amount as it may from time to time determine and to pay the premiums therefor from the revolving fund of the institution; except also that the conservator of rural credit is authorized, in his discretion, to insure in such companies the State of Minnesota against loss by fire or tornado of buildings upon real estate acquired by him and in such amounts as he may from time to time determine and to pay the premiums therefor from the rural credit expense fund.

[1919 c. 256 s. 1; 1929 c. 78] (3599)

71.33 LACK OF CARE IN KEEPING PROPERTY SAFE FROM FIRE LOSS NONFEASANCE IN OFFICE. Every state officer, board, or other authority having the control of any state buildings or property shall keep the same at all times as safe from fire loss as is reasonably possible. Failure of any state officer, board, or authority having control over any state property to keep the same as safe from fire loss as is reasonably possible shall constitute nonfeasance in office and be grounds for removal.

[1919 c. 256 s. 4] (3602)

71.34 VIOLATIONS; PENALTIES. Subdivision 1. Any fire insurance company or other insurer or rating bureau or representative of any fire insurance company or other insurer or rating bureau guilty of a violation of any of the provisions of sections 71.01 to 71.06, or orders or findings of the commissioner made thereunder, shall be punished by a fine of not less than \$100, nor more than \$5,000. In addition thereto, the license of any fire insurance company, agent, or broker guilty of such violation may be revoked or suspended by the commissioner. Any rating bureau examined by the commissioner, under the provisions of sections 71.01 to 71.06, shall pay to the commissioner for such examination the same fees required for examination of foreign fire insurance companies.

Subdivision 2. Any attorney who shall, except for the purpose of applying for a certificate of authority as provided in sections 71.07 to 71.15, exchange any contracts of indemnity of the kind and character specified in sections 71.07 to 71.15, or directly or indirectly solicit or negotiate any applications for same without first complying with the provisions of sections 71.07 to 71.15, shall be guilty of a misdemeanor; and, upon conviction thereof, subjected to a fine of not less than \$100, nor more than \$1,000.

[1913 c. 464 s. 9; 1915 c. 101 s. 7] (3595, 3610)