

CHAPTER 67

TOWNSHIP MUTUAL COMPANIES

67.02 OFFICERS.

NOTE: L. 1875, c. 83, authorized the formation of town insurance companies in twelve designated counties. Later amendments made the law general. Farmers' mutuals were authorized by L. 1891, c. 13, and livestock mutuals by L. 1891, c. 15. The entire law was revised and clarified by L. 1897, c. 164, and has since been numerously amended and supplemented.

67.09 WHAT PROPERTY INSURABLE.

Where the policy covered farm property including "hay therein or in stock", the property being in the possession of the insured referred to as residing on the land, under the principle that a policy should be construed as favorably to the insured as possible, a loss by fire of hay in stock two miles from the farm was covered by the policy. *Soli v Farmers Mutual*, 51 M 24, 52 NW 979.

67.15 POWERS OF CORPORATION.

The application of a principle of the law of contracts, permitting one of the parties to treat the contract as at an end upon failure of the other party to perform, does not extend to the policy in question. The business of insurance is quasi public in character and the state, in the exercise of the police power, has prescribed the manner in which the contract evidenced by the policy may be terminated. The alleged notice was not given as provided by law. *Clark v Rochester Farmers Mutual*, 161 M 476, 201 NW 930.

67.34 APPLICATIONS, WHO MAY ACCEPT.

Director of a township mutual has no power to make a contract of insurance, except to bind the company until the application is accepted and approved by the company. The mere residence of a director who solicits business and collects premiums does not make him a resident agent under the provisions of section 542.09. *State ex rel v Gislason*, 203 M 450, 281 NW 769.

67.40 APPLICATION OF LAWS 1909, CHAPTER 411.

The fundamental essential of mutual insurance, that the insured and the insurer are identical, prevents a mutual company from writing surety bonds for public officials. All companies engaged in writing surety bonds, must deposit securities as required by statute. *State ex rel v Wells*, 167 M 198, 208 NW 659.