

66A.221 ORGANIZATION.

Subdivision 1. **Initial requirements.** No company for insurance against loss or damage by hail, tornadoes, cyclones, and hurricanes, or any of these causes, shall issue any policy until at least \$200,000 of insurance, in not less than 400 separate risks, upon property located in not less than ten counties, and upon not more than 15 risks of 160 acres each in any one township, have been actually subscribed for and entered on its books and each subscriber has paid a membership fee of \$3 for which duplicate receipts have been executed, conditioned for the return thereof at the end of one year if the company has not then completed its organization. Immediately thereafter one of these duplicates shall be delivered to the member and the other, together with the fee, deposited in a solvent bank approved by the commissioner, where the fee shall remain until the company has been licensed to do business, not exceeding such year, when it shall be delivered to it; otherwise to the member. The duplicate and a certificate of the deposit shall be filed with the commissioner within 90 days after deposit.

Subd. 2. **Liability for ratable assessments.** In addition to the premium, every policyholder, in its hail department, shall be liable to a ratable assessment for all losses and expenses incurred while a member in a sum equal to such premium but not exceeding in any one year five percent of the policyholder's insurance, if notified thereof within 90 days after the expiration or cancellation of the policy; or if such policy be for more than one year, within 90 days after the expiration of the year in which assessment is made thereunder.

History: 1967 c 395 art 7 s 22; 1986 c 444; 2005 c 69 art 2 s 18