

countant relating to the authority shall be made available to the legislative auditor upon request.

The authority may contract for the services of individuals who perform medical, technical, or other services of a professional nature, and may contract for the purchase of necessary supplies, services, and equipment. Except as it determines, the authority shall not be subject to the provisions of chapter 16, concerning personnel, budgeting, payroll, or the purchase of goods or services. Any department of state government is authorized, within the limits of its functions and appropriations, to assist the authority upon request.

Sec. 2. This act is effective on and after the day following its final enactment.

Approved March 19, 1975.

CHAPTER 15—S.F.No.348

[Coded in Part]

An act relating to insurance; modifying regulations of farmers and township mutual insurance companies; amending Minnesota Statutes 1974, Sections 67A.01; 67A.03; 67A.06; 67A.07; 67A.09; 67A.10; 67A.11, Subdivisions 1 and 2; 67A.12, Subdivision 4; 67A.13; 67A.14, Subdivisions 1 and 5; 67A.17 by adding a subdivision; 67A.18, Subdivisions 1 and 2; 67A.19; 67A.21; 67A.23; 67A.29, Subdivision 2; 67A.31, Subdivision 2; and Chapter 67A by adding a section; repealing Minnesota Statutes 1974, Sections 67A.12, Subdivision 3; 67A.14, Subdivisions 2, 3, 4 and 6; 67A.16; 67A.18, Subdivision 3; 67A.22; 67A.30, Subdivision 2; and 67A.33.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1974, Section 67A.01, is amended to read:

67A.01 FARMERS AND TOWNSHIP MUTUAL INSURANCE COMPANIES; REGULATIONS; NUMBER OF MEMBERS REQUIRED, PROPERTY AND TERRITORY. It shall be lawful for any number of persons, not less than 25, residing in adjoining townships in this state, who shall collectively own property worth at least \$50,000, to form themselves into a corporation for mutual insurance against loss or damage by the perils listed in section 67A.13. ~~No~~ Any such company shall operate in no more than 150 adjoining townships in the aggregate at the same time; provided, that when any such company confines its operations to one county it may transact business in the whole thereof by so providing in its certificate of incorporation, and provided further that in case of merger of two or more companies having contiguous territories, the surviving company in the merger shall have the right to transact business in the entire territory of the merged companies, but

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the territory of the surviving company in the merger shall not be larger than 250 townships.

Sec. 2. Minnesota Statutes 1974, Section 67A.03, is amended to read:

67A.03 CORPORATE EXISTENCE. ~~Subdivision 1:~~ Except as provided in subdivision 2, every corporation organized pursuant to sections 67A.01 to 67A.26, shall be for a period not exceeding 30 years in the first instance and the corporate existence of any township mutual fire insurance company organized under the provisions of those sections; or any prior law, may be renewed from time to time for a further term, not exceeding 30 years, by adopting a resolution expressing the proposed renewal by a two-thirds vote of all its members present and voting at any regular meeting of the corporation or at any special meeting called for that purpose, the notice for which shall clearly specify the object of the meeting.

When any such resolution for renewal thereof shall be adopted the same shall not take effect until a copy, duly certified to by the president and the secretary of the corporation, under its corporate seal, if it have one, shall have been approved, filed, and recorded in the same manner as is provided herein in case of the original certificate of incorporation.

~~Subd. 2:~~ The corporate existence of any township mutual fire insurance company heretofore or hereafter organized may be made perpetual by so providing in its articles of incorporation.

Sec. 3. Minnesota Statutes 1974, Section 67A.06, is amended to read:

67A.06 POWERS OF CORPORATION. ~~Subdivision 1:~~ Every corporation formed under the provisions of sections 67A.01 to 67A.26, shall have power:

(1) To have succession by its corporate name for the time stated in its certificate of incorporation;

(2) To sue and be sued in any court;

(3) To have and use a common seal and alter the same at pleasure;

(4) To acquire, by purchase or otherwise, and to hold, enjoy, improve, lease, encumber, and convey all real and personal property necessary for the purpose of its organization, subject to such limitations as may be imposed by law or by its articles of incorporation;

(5) To elect or appoint in such manner as it may determine all necessary or proper officers, agents, boards, and committees, fix their

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compensation, and define their powers and duties;

(6) To make and amend consistently with law bylaws providing for the management of its property and the regulation and government of its affairs; and

(7) To wind up and liquidate its business in the manner provided by chapter 60B.

Subd. 2: The members of a township mutual fire insurance company may at any regular meeting or at any special meeting called for that purpose authorize its officials or directors to enter into an agreement with any municipal subdivision of the state, or with any fire department, whereby the fire department of the municipality shall respond to calls in case of fire in territory where the company does business, or respond to calls in case of fire on the premises of a member of the mutual company, on such terms and conditions as may be mutually agreed upon:

Subd. 3: In addition to the powers and privileges now conferred upon them by law, township mutual fire insurance companies organized under the provisions of sections 67A.01 to 67A.26, are hereby authorized to insure against loss or damage by hail, windstorm, tornado, cyclone, and inherent explosion, for their members corn and other grain while stored in sealed containers in accordance with the regulations of the federal government.

Sec. 4. Minnesota Statutes 1974, Section 67A.07, is amended to read:

67A.07 PRINCIPAL OFFICE. Any township mutual fire insurance company heretofore or hereafter organized under the laws of this state may, at any regular annual meeting of its members, or any special meeting called for that purpose, by a majority vote of those present, amend its certificate or articles of incorporation so that the business office of the company may be located in any township, or any city in any township in which the company is authorized to do business. The principal office of a township mutual fire insurance company shall be located in a township or in a city in a township in which the company is authorized to do business.

Sec. 5. Minnesota Statutes 1974, Section 67A.09, is amended to read:

67A.09 OFFICERS. Subdivision 1. **HOW ELECTED OR CHOSEN.** The directors shall choose one of their number as president, one as vice-president, and one as secretary; they shall also choose a treasurer, who may or may not be a member of the board, but must be a member of the company. The offices of secretary and treasurer may be held by the same person. ~~The certificate or articles of incorporation of the company may provide that the president, vice-president, secretary, and~~

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treasurer may be chosen by the direct vote of the members of the company at the annual meeting:

In this case, the election of these persons as president, vice-president, and secretary shall constitute them members of the board of directors and the remaining members of the board shall be elected as provided in section 67A.08

The board of directors may appoint other officers as it deems necessary for the conduct of business .

Subd. 2. OFFICERS, BOND. The treasurer-officers and employees of the company shall give such bond to the company in such sum as the directors shall determine ; ~~to be approved by the president and secretary .~~

Sec. 6. Minnesota Statutes 1974, Section 67A.10, is amended to read:

67A.10 RIGHTS OF CERTAIN MEMBERS. Subdivision 1: Every woman being a member of any such insurance company may be represented at any regular meeting or special meeting of the members thereof by any person duly appointed, in writing, as her proxy, and the proxy so appointed shall have full power to represent the member as fully as if she were personally present at the meeting:

Subd. 2: Nonresidents owning property in the territory where any such company is authorized to do business may become a member with all the rights thereof except eligibility to office.

Sec. 7. Minnesota Statutes 1974, Section 67A.11, Subdivision 1, is amended to read:

67A.11 ANNUAL MEETING. Subdivision 1. DATE AND FISCAL YEAR. The annual meeting of every such company shall be held before July first in each year, and the fiscal year of the company shall be from the first day of January ~~to~~ through the thirty-first day of the following December.

Sec. 8. Minnesota Statutes 1974, Section 67A.11, Subdivision 2, is amended to read:

Subd. 2. ANNUAL REPORT. The secretary shall prepare and read at the annual meeting a full report of the business of the company transacted during the previous fiscal year ~~A full report of the business of the company for the previous fiscal year shall be presented at the annual meeting .~~

Sec. 9. Minnesota Statutes 1974, Section 67A.12, Subdivision 4, is amended to read:

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Subd. 4. **POLICY FEE, PREMIUM AND ASSESSMENT.** Before the delivery of any policy, the company ~~shall~~may collect regular cash premium and policy fee and shall take the written agreement of the insured of even date therewith, which shall be embodied in his application, to pay a pro rata share of losses or damages sustained by any member.

Sec. 10. Minnesota Statutes 1974, Section 67A.13, is amended to read:

67A.13 TYPES OF INSURANCE AUTHORIZED. A township mutual fire insurance company shall insure only against loss or damage by fire, lightning, explosion, flood, earthquake, theft, vandalism, ~~collapse of bridges-collapse~~, upset, overturn, collision, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke, breakage of glass, weight of ice, snow or sleet, freezing, leakage of water or other substance, electrical power interruption or electrical breakdown from any cause, and as to livestock against loss or damage by electrocution by electrical currents artificially generated, attack by dogs or wild animals, drowning, accidental shooting, loading or unloading, ~~collapse of buildings or straw or hay stacks~~, or collision or overturn of conveyances, and consequential losses as a result of damage from any of the perils listed except public liability.

Sec. 11. Minnesota Statutes 1974, Section 67A.14, Subdivision 1, is amended to read:

67A.14 INSURABLE PROPERTY. Subdivision 1. **KINDS OF PROPERTY.** Township mutual fire insurance companies may insure dwellings and ~~their contents-personal property used in connection therewith~~, farm buildings and their contents, livestock, farm machinery, automobiles, country store buildings and the household goods therein, threshing machines, farm produce anywhere on the premises, churches and their contents, school houses and their contents, society and town halls and their contents, country blacksmith shops and country garages and their contents, country locker plants and their contents, parsonages and their contents and the barns and contents used in connection therewith, creameries, cheese factories and their equipment and contents and respective operators' dwelling houses and contents and barns and contents used in connection therewith, farm personal property, churches and personal property used in connection therewith, county fair buildings, community and township meeting halls and their contents, parsonages and their personal property and the appurtenant structures and personal property used in connection therewith.

Sec. 12. Minnesota Statutes 1974, Section 67A.14, Subdivision 5, is amended to read:

Subd. 5. **WHAT MAY NOT BE INSURED; PROPERTY OUTSIDE DESIGNATED TERRITORY.** No township mutual fire insurance com-

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pany shall insure any property outside of the limits of the territory in which the company is authorized by its certificate or articles of incorporation to transact business, except personal property temporarily outside of the authorized territory ~~and except as herein provided and property in cities of the first and second class~~.

Sec. 13. Minnesota Statutes 1974, Chapter 67A, is amended by adding a section to read:

[67A.161] ARBITRATION OF DISPUTED LOSSES. If a township mutual fire insurance company and an insured fail to agree on the actual cash value of an item or amount of a loss, on written demand by either party, the insured and the company shall each, within 20 days of the demand, select a competent and disinterested appraiser and notify the other party of his identity. If either party fails to select an appraiser within the time provided, the presiding judge of the district court in the county in which the loss occurred shall appoint an appraiser to represent that party. The appointment shall be made upon application to the court by the party not failing to make the required selection and upon five days written notice to the other party. The appraisers appointed pursuant to this section shall make a good faith effort to select a competent and disinterested umpire. If the appraisers fail to agree upon an umpire within 15 days of their appointment, the presiding judge of the district court in the county in which the loss occurred shall appoint an umpire upon application by either party and five days written notice to the other party. The appraisers shall appraise the loss, stating separately actual value and loss to each item. If the appraisers fail to agree, they shall submit their differences to the umpire, whose decision shall control to the extent of the differences between the appraisers. An award in writing, approved by the appraisers or by an appraiser and the umpire, upon being filed with the company shall be conclusive evidence of the actual value and loss to an item. An appraiser shall be paid by the party he represents, and the expenses of the appraisal and the umpire shall be paid in equal shares by the two parties.

Sec. 14. Minnesota Statutes 1974, Section 67A.17, is amended by adding a subdivision to read:

Subd. 1a. PREMIUMS; ASSESSMENTS. The directors of a company may collect an advance premium or an assessment for the purpose of maintaining surplus funds in its treasury to be used in payment of losses or expenses.

Sec. 15. Minnesota Statutes 1974, Section 67A.18, Subdivision 1, is amended to read:

67A.18 TERMINATION. Subdivision 1. **BY MEMBER.** Any member may terminate his membership in the company by giving written notice or returning his policy to the secretary and paying the withdrawing member's share of all existing claims.

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Sec. 16. Minnesota Statutes 1974, Section 67A.18, Subdivision 2, is amended to read:

Subd. 2. **BY COMPANY.** The ~~board of directors~~company may by a majority vote thereof annul and cancel any policy after giving not less than ten days' written notice to the insured by registered or certified mail to the last known address of the insured and to any mortgagee to whom the policy is made payable. ~~In case of annulment of any policy, the action of the board of directors shall be recorded in the minutes of the meeting of the directors.~~

Sec. 17. Minnesota Statutes 1974, Section 67A.19, is amended to read:

67A.19 JOINT OR PARTIAL RISKS. Township mutual fire insurance companies may issue joint or partial ~~risks~~risk policies in conjunction with adjoining companies of the same class and, in this case, they are not confined to the townships in which they are otherwise authorized to do business; but no such insurance of a joint or partial risk shall be valid or binding upon the company insuring the same until approved by all the companies holding prior ~~risks~~ policies on the property so insured, and the total amount of the joint insurance on any one piece of property shall in no case exceed the total percentage of its value for which the property is insurable by the company.

Sec. 18. Minnesota Statutes 1974, Section 67A.21, is amended to read:

67A.21 CONSOLIDATION, MERGER. Two or more township mutual fire insurance companies which have been or may hereafter be authorized to transact the business of insurance upon insurable property as herein authorized may consolidate or merge as provided herein.

To effect this consolidation or merger, it shall be necessary:

(1) That the board of directors or managing body of each of the corporations pass a resolution to the effect that the consolidation or merger is advisable and containing the proposed name of the corporation, as consolidated or merged, its principal office, and the names of its first board of directors and officers;

(2) That a special meeting of the policyholders of each of the corporations shall be held, a notice of which meeting shall be mailed to each of the policyholders thereof at least 30 days prior to the holding thereof, and which notice shall embody the resolution adopted by the board of directors, as provided in clause (1);

(3) That a majority of the policyholders of each of the corporations present or represented at these special meetings shall, by resolution, approve and ratify the action of the directors, as provided for in clause (1); and

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(4) That the proceedings and resolutions be filed with the commissioner and approved of by him ; ~~and~~.

(5) ~~Complete copies of the proceedings, certified to by the president and secretary of the respective corporations, shall be filed with the register of deeds of the counties in which the company proposes to transact business.~~

When full copies of these proceedings have been filed with the commissioner, which copies shall be certified by the president and secretary of the respective corporations and duly verified by these officers, and approved of by him, the consolidation or merger of these corporations shall be deemed to be complete, and the company so continuing the business shall be deemed to have fully assumed all of the obligations, liabilities, and risks and to be the owner of all the assets of the companies so consolidating or merging.

If this consolidation or merger is made under any new name, the filing of these proceedings and the approval of same by the commissioner shall be sufficient to constitute the consolidated or merged company a corporation, with all the powers and privileges, and subject to all the limitations, of a township mutual fire insurance company under the laws of this state.

Sec. 19. Minnesota Statutes 1974, Section 67A.23, is amended to read:

67A.23 INVESTMENTS, LIMITATIONS. The directors may authorize the treasurer to invest any of its funds and accumulations in the bonds of the United States or of this state, or any county, city, or town, or duly authorized school district therein, or in any municipal or civil division of any state, and may loan upon improved unencumbered real property in this state worth at least twice the amount loaned thereon, not including buildings, unless insured by policies payable to and held by the security holder, or authorize him to deposit any and all sums of money in his hands in such federally insured banks or savings and loan associations located in Minnesota as they may designate.

Sec. 20. Minnesota Statutes 1974, Section 67A.29, Subdivision 2, is amended to read:

Subd. 2. **OFFICERS, BOND.** The ~~treasurer-officers and employees of the company~~ shall give bond to the company in such sum as the directors shall determine ; ~~to be approved by the president and the secretary~~ .

Sec. 21. Minnesota Statutes 1974, Section 67A.31, Subdivision 2, is amended to read:

Subd. 2. **INSURABLE PROPERTY IN CITIES.** They may also insure churches and dwellings, together with the usual outbuildings and

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the usual contents of both those dwellings and churches and outbuildings, in any city of ~~2,750 or less inhabitants~~ except a city of the first or second class .

Sec. 22. Minnesota Statutes 1974, Sections 67A.12, Subdivision 3; 67A.14, Subdivisions 2, 3, 4 and 6; 67A.16; 67A.18, Subdivision 3; 67A.22; 67A.30, Subdivision 2; and 67A.33 are repealed.

Sec. 23. This act is effective the day following its final enactment and shall become applicable to any policy issued or renewed thereafter.

Approved March 19, 1975.

CHAPTER 16—H.F.No.7

[Not Coded]

An act relating to interim claims against the state; appropriating moneys for the payment thereof.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. CLAIMS AGAINST STATE; APPROPRIATION. Subdivision 1. There is appropriated from any moneys in the state treasury, not otherwise appropriated, the sums of money set forth in this section to the persons named therein in full and final payment of claims against the state.

- Subd. 2. Boise Cascade Corporation,
International Falls, Minnesota,
for losses on Boise Cascade
lands as a result of an
uncontrolled prescribed burn
carried on by the personnel
of the department of natural
resources.....\$ 8,250.62
- Subd. 3. Okabena-Ocheda Watershed District,
c/o Lawrence B. Hughes, Attorney
at Law, Box 30, Worthington,
Minnesota, for costs of improvements
benefiting land owned by
the state of Minnesota under the
jurisdiction of the department
of natural resources and
recreational benefits accruing
to the state.....\$35,217.90
- Subd. 4. James William Farnham, First
Avenue and Howard Street,
Hibbing, Minnesota, for medical

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