
CHAPTER 64—H.F.No.1309
[Coded in Part]

An act relating to financial institutions; regulating the investments of savings banks and insurance companies; amending Minnesota Statutes 1971, Sections 50.14, Subdivision 15, and by adding subdivisions; 60A.11, Subdivisions 2 and 5; and 61A.28, Subdivision 2.

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

Section 1. Minnesota Statutes 1971, Section 50.14, Subdivision 15, is amended to read:

Subd. 15. **FINANCIAL INSTITUTIONS; INVESTMENTS.** Class thirteen shall be obligations payable in United States dollars issued or fully guaranteed by international bank for reconstruction and development ~~so long as the total amount of the liabilities of the international bank for reconstruction and development does not exceed the amount of the United States' subscription to the capital of the aforesaid bank .~~

Sec. 2. Minnesota Statutes 1971, Section 50.14, is amended by adding a subdivision to read:

Subd. 16. Class fourteen shall be obligations payable in United States dollars issued or fully guaranteed by the Asian Development Bank.

Sec. 3. Minnesota Statutes 1971, Section 50.14, is amended by adding a subdivision to read:

Subd. 17. Class fifteen shall be obligations payable in United States dollars issued or fully guaranteed by the Inter-American Development Bank.

Sec. 4. Minnesota Statutes 1971, Section 60A.11, Subdivision 2, is amended to read:

Subd. 2. **SECURITIES AND LOANS.** Except as otherwise provided by law, the funds of every domestic company shall be invested in, or loaned upon, one or more of the following kinds of securities or property, and under the restrictions and conditions specified in this subdivision:

(1) Bonds or treasury notes or other obligations of the United States; obligations guaranteed by the United States; obligations payable in United States dollars issued or fully guaranteed by International Bank for Reconstruction and Development not exceeding in aggregate face amount five percent of the total admitted assets of such

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company; obligations payable in United States dollars issued or fully guaranteed by the Asian Development Bank not exceeding in aggregate face amount five percent of the total admitted assets of such company; obligations payable in United States dollars issued or fully guaranteed by the Inter-American Development Bank not exceeding in aggregate face amount five percent of the total admitted assets of such company; national or state bank stock; interest-bearing bonds or certificates of indebtedness or other obligations at market value of this or any other state, or any governmental subdivision or municipal corporation in this or any other state, or of the Dominion of Canada or any province or any governmental subdivision or municipal corporation thereof, having legal authority to issue the same, at market value; or debentures issued by the Federal Housing Administrator or obligations of national mortgage associations;

(2) Notes or bonds secured by first mortgage, or trust deed in the nature thereof, on improved real estate in this or any other state, or in the Dominion of Canada, having a value of at least 50 percent more than the amount of the loan secured thereby or, when the loan is to be fully amortized by installment payments of principal and interest at least annually over a period of not to exceed 30 years, of at least 33 1/3 percent more than the amount of such loan, not including buildings unless insured by policies payable to and held by the security holder, or by a trustee for the security holder; or notes or bonds secured by mortgage, or trust deed in the nature thereof, or other obligations which the United States or any agency or instrumentality thereof has insured or guaranteed or made a commitment to insure or guarantee;

(3) Common stocks upon which dividends of not less than three percent of par or stated value have been regularly paid for three years immediately preceding the investment, or which (1) over the five completed fiscal years immediately preceding date of purchase earned an average amount per annum applicable to dividends at least equal to six percent of the par value (or in case of common stock having no par value, of the issued or stated value of such stock) outstanding at date of purchase, and (2) earned such amount during each of three of said five fiscal years; and bonds, not in default, at market value, of any corporation incorporated by or under the laws of the United States, or any state, or the Dominion of Canada, or any province thereof; or preferred stocks at market value of any solvent corporation incorporated by or under the laws of the United States or any state, or the Dominion of Canada or any province thereof provided such corporation's net income available for fixed charges after deducting federal and state income taxes must have averaged for the five fiscal years preceding investment at least one and one-half times the sum of annual fixed charges, contingent interest and preferred dividends, all computed as of the date of investment; and upon which bonds or preferred stocks, interest, or dividends have not been in arrears for an aggregate of 90 days within the preceding three years; or in the stock or guaranty fund certificates of any insurance company, whether previously existing or

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in process of being organized and whether or not engaged in writing the same type of insurance as the acquiring corporation, which investment must be approved by the commissioner; or in the stock or bonds of any real estate holding company, which investment must be approved by the commissioner, whose real estate is used, in whole or in part, in the transacting of the insurance business of such insurance company, either directly or by reinsurance, or in the fee to real estate used, in whole or in part, in such business; or in the stock or bonds of any corporation owning investments in foreign countries used for purposes of legal deposit, when the insurance company transacts business therein direct or as reinsurance;

(4) Promissory notes maturing within six months, secured by the pledge of warehouse receipts issued against commodities deposited in public warehouses; at the time of investing in such notes the market value of the commodities shall exceed the indebtedness secured thereby and the note or pledge agreement shall provide that the holder may call for additional like security or sell the commodities without notice upon depreciation of the security; the insurance company may accept, in lieu of the deposit with it of the warehouse receipts, a trustee certificate issued by any national or state bank at a terminal point, certifying that the warehouse receipts have been deposited with it and are held as security for the notes; the amount invested in the securities mentioned herein shall not, at any time, exceed 25 percent of the capital stock of the company; and

(5) Notes, debentures, or evidences of indebtedness other than bonds issued or guaranteed by a corporation organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof, which, (1) over the five completed fiscal years immediately preceding date of purchase, earned an average amount per annum applicable to dividends at least equal to four percent upon the par value (or in case of stock having no par value, then upon its issued or stated value) of all its capital stock outstanding in each of such five years and (2) earned such amount during each of three of said five fiscal years. No investment shall be made under this clause upon which any interest obligation is in default or which has been in default for an aggregate of 90 days within the immediately preceding three-year period.

(6) Loans on pledge of any such securities, but not exceeding 80 percent of the market value of stocks or other securities and 95 percent of the market value of bonds specified in clause (1); and in all loans reserving the right at any time to declare the indebtedness due and payable when in excess of such proportion or upon depreciation of security.

Sec. 5. Minnesota Statutes 1971, Section 60A.11, Subdivision 5, is amended to read:

Subd. 5. **ADDITIONAL INVESTMENTS PERMITTED.** The funds
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of any insurance company organized under the laws of this state or licensed to do business therein, in addition to the investments otherwise authorized by law, may be invested in: (a) federal farm loan bonds; (b) loans upon leasehold estates in improved real property where at the date of investment the ground lease shall have an unexpired term of at least five years longer than the term of the loans secured thereby and where the leasehold estate is unencumbered except by the lien reserved in the lease for the payment of rentals and the observance of the other covenants, terms, and conditions of the lease, and where the mortgagee upon default is entitled to be subrogated to all the rights under the leasehold; provided, that no loan on such leasehold estate shall exceed, (a) 75 percent of the market value thereof at the time of such loan, or (b) 80 percent of the market value thereof at the time of such loan if such real property is to be used for commercial purposes and the loan must be fully amortized by installment payments of principal, which may begin up to five years from the date of the loan if the real estate is to be used for commercial purposes, and interest at least annually over a period not to exceed 35 years and the value thereof shall be shown by sworn certificate of a competent appraiser; ~~(e) obligations payable in United States dollars issued or fully guaranteed by The Inter-American Development Bank not exceeding in aggregate face amount five percent of the total admitted assets of such company; less the sum of such company's investments in obligations issued or fully guaranteed by The International Bank for Reconstruction and Development.~~

Sec. 6. Minnesota Statutes 1971, Section 61A.28, Subdivision 2, is amended to read:

Subd. 2. **GOVERNMENT OBLIGATIONS.** Bonds or other obligations of, or bonds or other obligations insured or guaranteed by, (a) the United States or any state thereof; (b) the Dominion of Canada or any province thereof; (c) any county, city, town, village, organized school district, municipality, or other civil or political subdivision of this state, or of any state of the United States or of any province of the Dominion of Canada; (d) any agency or instrumentality of the foregoing, including but not limited to, debentures issued by the federal housing administrator, obligations of national mortgage associations; ~~or, not exceeding in aggregate face amount five percent of the total admitted assets of such life insurance company; in obligations payable in United States dollars issued or fully guaranteed by The International Bank for Reconstruction and Development; The Inter-American Development Bank or, if approved by the commissioner, any other United States government sponsored organization of which the United States is a member;~~ (e) obligations payable in United States dollars issued or fully guaranteed by the International Bank for Reconstruction and Development not exceeding in aggregate face amount five percent of the total admitted assets of such life insurance company; (f) obligations payable in United States dollars issued or fully guaranteed by the Inter-American Development Bank not exceeding in aggregate face amount five percent of the total admitted assets of such life insurance company; (g) obliga-

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tions payable in United States dollars issued or fully guaranteed by the Asian Development Bank not exceeding in aggregate face amount five percent of the total admitted assets of such life insurance company; (h) if approved by the commissioner, obligations payable in United States dollars issued or fully guaranteed by any other United States government sponsored organization of which the United States is a member, not exceeding in aggregate face amount five percent of the total admitted assets of such life insurance company .

Sec. 7. **EFFECTIVE DATE.** This act is effective the day following its final enactment.

Approved February 21, 1974.

CHAPTER 65—H.F.No.1764
[Coded]

An act relating to highways; designating and describing the route of the Voyageur highway; amending Minnesota Statutes 1971, Section 161.14, by adding a subdivision.

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

Section 1. Minnesota Statutes 1971, Section 161.14, is amended by adding a subdivision to read:

Subd. 18. VOYAGEUR HIGHWAY; DESIGNATION. The following route is named and designated the "Voyageur Highway":

(a) Beginning at a point on trunk highway No. 26 on the boundary line between the states of Minnesota and Iowa; thence northerly along trunk highway No. 26 to its junction with trunk highway No. 61; thence northwesterly along trunk highway No. 61 to its junction with trunk highway No. 10 in the city of St. Paul; thence extending in a general northwesterly direction along trunk highway No. 10 to its junction with trunk highway No. 371 at Little Falls; thence extending in a general northerly direction along trunk highway No. 371 to its junction with trunk highway No. 210 at Brainerd; thence northeasterly along trunk highway No. 210 to its junction with trunk highway No. 169 at Aitkin; thence in a general northerly direction along trunk highway No. 169 to its junction with trunk highway No. 2 at Grand Rapids; thence northwesterly along trunk highway No. 2 to its junction with trunk highway No. 71 at Bemidji; thence northeasterly along trunk highway No. 71 to its junction with trunk highway No. 11 at Pelland; thence northeasterly along trunk highway No. 11 to its junction with trunk highway No. 53 at International Falls; thence southeasterly along trunk highway No. 53 to its junction with trunk highway No. 61 at Duluth; thence northeasterly along trunk

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