
INSURANCE

CHAPTER 184

S. B. No. 95
(Rue and Nordhougen)

OFFICIAL EXAMINATIONS OF INSURANCE COMPANIES; FEES
AN ACT

To amend and reenact subsection 6 of section 26-0104, and to amend and reenact section 26-0108 of the 1949 Supplement to the North Dakota Revised Code of 1943, and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§1. AMENDMENT.) Subsection 6 of section 26-0104 of the 1949 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

6. For an official examination, the actual expense and per diem incurred; such per diem charge not to exceed twenty-five dollars;

§ 2. AMENDMENT.) Section 26-0108 of the 1949 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

26-0108. EXAMINATION OF DOMESTIC AND FOREIGN INSURANCE COMPANIES; TIMES; EXPENSE.) All examinations of insurance companies required or permitted by law to be conducted by the insurance commissioner and whether or not the same are so-called convention examinations, shall be conducted by qualified regular employees of the insurance commissioner, and their compensation which shall not exceed Twenty-five Dollars (\$25) per day, shall be paid out of the appropriation for that department. Any sums paid to said employees or to the insurance department or commissioner by the company or companies examined, as an examination fee or otherwise, shall be deemed to be state money, and forthwith shall be paid into the state treasury. Any sums paid to the employee or the department or commissioner as expense money for the examiner may be paid directly to the employee, and no employee may charge or collect from the state any expenses incurred in connection with any examination for or during which his expenses or any part thereof have been paid by any other person, firm or corporation.

§ 3. EMERGENCY.) This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 14, 1951.

CHAPTER 185

S. B. No. 123
(Bjorlie, Duffy and Page)

CLASIFICATION OF STANDARD FIRE INSURANCE POLICY

AN ACT

To amend and reenact section 3 of chapter 215, 1945 Session Laws, relating to standard fire insurance policies.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.) Section 3 of chapter 215, 1945 Session Laws is hereby amended and reenacted to read as follows:

§ 3.) The standard fire insurance policy provided for herein shall be construed to be a valued policy as defined under the provisions of section 26-0303 of the North Dakota Revised Code of 1943.

Approved March 3, 1951.

CHAPTER 186

S. B. No. 168
(Morgan and Day)
(By Request)

BY-LAWS, MUTUAL INSURANCE COMPANIES

AN ACT

To amend and reenact section 26-0819 of the 1949 Supplement to the North Dakota Revised Code of 1943 relating to the by-laws of mutual insurance companies.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.) Section 26-0819 of the 1949 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

26-0819. BY-LAWS OF MUTUAL INSURANCE COMPANIES MEETINGS; NOTICE; QUORUM.) The by-laws of any mutual insurance company organized under the provisions of chapter 26-08 or 26-14 of the North Dakota Revised Code of 1943, shall prescribe the

manner of notification to members of all corporation meetings of members and shall prescribe what shall constitute a quorum of members with the following limitations: A quorum shall be those members present in person or represented by written proxies. A majority of those voting shall be sufficient to approve or reject any proposal submitted at any such annual or special meeting. Every member of the company shall be entitled to one vote only. He shall be notified of the time and place of the holding of the meetings of the company by a written notice or by an imprint on the back of each policy, receipt, or certificate of renewal, and in addition thereto a notice of any annual or special meeting shall be published in the official paper of the county in which the principal office of the company is located, such notice to be published at least twice, the first publication to be made at least sixty days before such meeting. If a special meeting of members is called, a notice of the time and place and object thereof shall be mailed to all members at least sixty days before the date of such meeting.

Approved March 7, 1951.

CHAPTER 187

H. B. No. 717
(Wolf and Bubel)
at the request of
Commissioner of Insurance

ACTIONS AGAINST AND SERVICE PROCESS UPON UNAUTHORIZED FOREIGN INSURERS; ATTORNEYS FEES

AN ACT

Relating to insurers unauthorized to transact business in this state; providing for actions in this state against and for the service of process upon such insurers and providing for the allowance of attorneys fees in actions against such insurers.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. SERVICE OF PROCESS UPON UNAUTHORIZED INSURER.) Any of the following acts in this state, effected by mail or otherwise, by an unauthorized foreign or alien insurer:

1. The issuance or delivery of contracts of insurance to residents of this state or to corporations authorized to do business therein.
2. Solicitation of applications for such contracts.

3. The collection of premiums, membership fees, assessments or other considerations for such contracts, or

4. Any other transaction of insurance business,

is equivalent to and shall constitute an appointment by such insurer of the commissioner of insurance and his successor or successors in office, to be its true and lawful attorney, upon whom may be served all lawful process in any action, suit or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such contract of insurance and any such act shall be signification of its agreement that such service of process is of the same legal force and validity as personal service of process in this state upon such insurer.

§ 2. SERVICE OF PROCESS; HOW MADE.) Service of process shall be made by delivering to and leaving with the commissioner of insurance or some person in apparent charge of his office, two copies thereof and the payment to him of a two dollar fee for each process so served. The commissioner of insurance shall forthwith mail by registered mail one of the the copies of such process to the defendant at its last known principal place of business and shall keep a record of such process so served upon him. Such service of process is sufficient, provided notice of such service and a copy of the process are sent within ten days thereafter by registered mail by the plaintiff or the plaintiff's attorney to the defendant at its last known principal place of business and the defendant's receipt, or receipt issued by the postoffice with which the letter is registered, showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the clerk of the court in which such action is pending on or before the date the defendant is required to appear, or within such further time as the court may allow.

§3. ADDITIONAL MEANS OF SERVICE OF PROCESS.) Service of process in any such action, suit or proceedings shall in addition to the manner provided in Section 2 be valid if serviced upon any person within this state who, in this state on behalf of such insurer is;

1. Soliciting insurance, or
2. Making, issuing or delivering any contract of insurance, or
3. Collecting or receiving any premium, membership fee, assessment or other consideration for insurance; and a

copy of such process is sent within ten days thereafter by registered mail by the plaintiff or plaintiff's attorney to the defendant at the last known principal place of business of the defendant,

and the defendant's receipt or the receipt issued by the post-office with which the letter is registered showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the clerk of the court in which such action is pending or before the date the defendant is required to appear or within such further time as the court may allow.

§ 4. WHEN PLAINTIFF ENTITLED TO JUDGMENT.) No plaintiff or complainant shall be entitled to a judgment by default under this act until the expiration of thirty days from the date of filing of the affidavit of compliance.

§ 5. RIGHT OF SERVICE OF PROCESS SHALL NOT BE ABRIDGED.) Nothing in this section contained shall limit or abridge the right to serve any process, notice or demand upon any insurer in any other manner now or hereafter permitted by law.

§ 6. DEFENSE OF ACTION BY UNAUTHORIZED INSURER.) Before any unauthorized foreign or alien insurer shall file or cause to be filed any pleading in any action, suit or proceeding instituted against it, such unauthorized insurer shall deposit with the clerk of the court in which such action, suit or proceeding is pending, cash or securities, or file with such clerk a bond with good and sufficient sureties to be approved by the court in an amount to be fixed by the court sufficient to secure the payment of any final judgment which may be rendered in such action, provided, however, that the court may in its discretion make an order dispensing with such deposit or bond where the insurer makes a showing satisfactory to such court that it maintains in a state of the United States funds or securities, in trust or otherwise, sufficient and available to satisfy any final judgment which may be entered in such action, suit or proceeding, and that such insurer will pay any final judgment rendered without requiring suit to be brought on such judgment in the state where such securities are located, or procure a certificate of authorization to transact the business of insurance in this state.

§ 7. COURT MAY ORDER POSTPONEMENT.) The court in any action, suit or proceeding in which service is made in the manner provided in sections 2 and 3, may in its discretion, order such postponement as may be necessary to afford the defendant reasonable opportunity to comply with provisions of this Act and to defend such action.

§ 8. CONSTRUCTION.) Nothing in section 7 is to be construed to prevent an unauthorized foreign or alien insurer from filing a motion to quash a writ or to set aside service thereof made in the manner provided in this Act on the ground, either that such

unauthorized insurer has not done any of the acts enumerated in this Act or that the person on whom service was made pursuant to section 3 of this Act was not doing any of the acts therein enumerated.

§ 9. ATTORNEY FEES.) In any action against an unauthorized foreign or alien insurer upon a contract of insurance issued or delivered in this state to a resident thereof or to a corporation authorized to do business therein, if the insurer has failed for thirty days after demand prior to the commencement of the action to make payment in accordance with the terms of the contract, and it appears to the court that such refusal was vexatious and without reasonable cause, the court may allow to the plaintiff a reasonable attorney fee and include such fee in any judgment that may be rendered in such action. Such fee shall not exceed twelve and one-half percent of the amount which the court or jury finds the plaintiff is entitled to recover against the insurer, but in no event shall such fee be less than twenty-five dollars. Failure of an insurer to defend any such action shall be deemed prima facie evidence that its failure to make payment was vexatious and without reasonable cause.

§ 10.) The provisions of this Act shall not apply to any action, suit or proceeding against any unauthorized foreign or alien insurer arising out of any contract of

1. Reinsurance, ocean marine, aircraft or railway insurance.
2. Insurance against legal liability arising out of the ownership, operation or maintenance of any property having a permanent situs outside this state, or
3. Insurance against loss of or damage to any property having a permanent situs outside this state

where such contract of insurance contains a provision designating the insurance commissioner or a bona fide resident of the state of North Dakota to be the true and lawful attorney of such unauthorized insurer upon whom may be served all lawful process in any action, suit or proceeding instituted by or on behalf of an insured or beneficiary arising out of such contract or where the insurer enters a general appearance in any such suit, action or proceeding.

§ 11. CONSTITUTIONALITY.) If any provision of this Act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

Approved March 9, 1951.

CHAPTER 188

H. B. No 716
(Wolf and Bubel)
at the request of the
(Commissioner of Insurance)

FRAUDULENT ADVERTISING OF UNAUTHORIZED FOREIGN
INSURERS; ACTIONS; SERVICE OF PROCESS

AN ACT

Relating to fraudulent advertising of insurers not authorized to transact
business in this state and providing for actions in this state
with respect thereto and for service of process upon such insurers.

*Be It Enacted by the Legislative Assembly of the State of
North Dakota:*

§ 1. DEFINITIONS.) When used in this Act:

- a. The commissioner shall mean the commissioner of insurance of this state.
- b. Unfair Trade Practice Act shall mean the Act relating to unfair methods of competition and unfair and deceptive acts and practices in the business of insurance.

§ 2. NOTICE TO DOMICILIARY SUPERVISORY OFFICIAL.) Whenever the commissioner shall have reason to believe that any unauthorized foreign or alien insurer is making, issuing, circulating or causing to be made, issued or circulated, to residents of this state or to corporations unauthorized to do business therein, any estimate, illustration, circular, pamphlet, or letter, or is causing to be made in any newspaper, magazine or other publication or over any radio station, any announcement or statement to such residents or corporations, misrepresenting its financial condition or the terms of any contracts issued or to be issued or the benefits or advantages promised thereby, or the dividends or share of the surplus to be received thereon, it shall be the duty of the commissioner to give notice in writing of such fact to the insurance supervisory official of the domiciliary state of such insurer. For the purpose of this section the domiciliary state of an alien insurer shall be deemed to be the state of entry or the state of the principal office in the United States.

§ 3. ACTION BY COMMISSIONER.) If after thirty days following the giving of the notice mentioned in section 2 such insurer has failed to cease making, issuing, or circulating such misrepresentations or causing the same to be made, issued or circulated

in this state, and if the commissioner has reason to believe that a proceeding by him in respect to such matters would be to the interest of the public, and that such insurer is issuing or delivering contracts of insurance to residents of this state or to corporations authorized to do business therein or collecting premiums on such contracts or otherwise transacting business in this state, he shall take action against such insurer under the Unfair Trades Practice Act.

§ 4. SERVICE UPON UNAUTHORIZED INSURER.) Any of the following acts in this state, effected by mail or otherwise, by any unauthorized foreign or alien insurer:

1. The issuance or delivery of contracts of insurance to residents of this state or to corporations authorized to do business therein;
2. The collection of premiums for such contracts, or
3. Any other transaction of business, is equivalent to and shall constitute an appointment by such insurer of the commissioner and his successor or successors in office to be its true and lawful attorney upon whom may be served all statements of charges, notices and lawful process in any proceeding instituted in respect to the misrepresentations set forth in section 2 hereof under the provisions of the Unfair Trade Practice Act, or in any action, suit or proceeding for the recovery of any penalty therein provided, and any such act shall be signification of its agreement that such service of statement of charges, notices or process is of the same legal force and validity as personal service of such statement of charges, notices or process in this state, upon such insurer.

§ 5. SERVICE OF A STATEMENT OF CHARGES AND NOTICES.) Service of a statement of charges and notices under said Unfair Trade Practice Act shall be made by any deputy or employee of the department of insurance delivering to and leaving with the commissioner or some person in apparent charge of his office, two copies thereof. Service of process issued by any court in any action, suit or proceeding to collect any penalty under said Act provided, shall be made by delivering and leaving with the commissioner or some person in apparent charge of his office, two copies thereof. The commissioner shall forthwith cause to be mailed by registered mail one of the copies of such statement of charges, notices or process to the defendant at its last known principal place of business, and shall keep a record of all statements of charges, notices or process so served. Such service of statement of charges, notices or process shall be sufficient provided they shall have been so mailed and the defendant's receipt or receipt issued by the post office with which the letter is reg-

istered, showing the name of the sender of the letter and the name and adress of the person to whom the letter is addressed, and the affidavit of the person mailing such letter showing a compliance herewith are filed with the commissioner in the case of any statement of charges or notices, or with the clerk of the court in which such action is pending in the case of any process, on or before the date the defendant is required to appear or within such further time as may be allowed.

§ 6. SERVICE OF STATEMENT OF CHARGES.) Service of statement of charges, notices and process in any such proceeding, action or suit shall in addition to the manner provided in section 5 be valid if served upon any person within this state who on behalf of such insurer is:

1. Soliciting insurance, or
2. Making, issuing or delivering any contract of insurance, or
3. Collecting or receiving any premium for insurance;

and a copy of such statement of charges, notices or process is sent within ten days thereafter by registered mail by or on behalf of the commissioner to the defendants at the last known principal place of business of the defendant, and the defendant's receipt, or the receipt issued by the post office with which the letter is registered, showing the name of the sender of the letter, the name and address of the person to whom the letter is addressed, and the affidavit of the person mailing the same showing a compliance herewith, are filed with the commissioner in the case of any statement of charges or notices, or with the clerk of the court in which such action is pending in the case of any process, on or before the date the defendant is required to appear or within such further time as the court may allow.

§ 7. CEASE OR DESIST ORDER.) In no cease or desist order or judgment by default under this section shall be entered until the expiration of thirty days from the date of the filing of the affidavit of compliance. Nothing in this section contained shall limit or prohibit the right to serve any statement of charges, notices or process upon any insurer in any other manner now or hereafter permitted by law.

§ 8. CONSTITUTIONALITY.) If any provision of this Act or the application thereof to any person or circumstances is here invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application and to this end the provisions of this Act are declared to be severable.

Approved March 9, 1951.

CHAPTER 189

S. B. No. 86

(Nelson, Olson, Haag and Reinke)

HAIL INSURANCE COVERAGE

AN ACT

To amend and reenact section 26-2211 of the 1949 Supplement to the North Dakota Revised Code of 1943, relating to state hail insurance and crops insurable thereunder, dates when coverage or insured crops commences and terminates, and declaring an emergency.

Be It Enacted By the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.) Section 26-2211 of the 1949 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

26-2211. CROPS INSURABLE; DATES WHEN COVERAGE ON INSURED CROPS COMMENCES AND TERMINATES.) Crops of rye, wheat, speltz, barley, oats, flax, corn, buckwheat, millet, sweet clover, alfalfa, and cane grown on cultivated land which is listed as actually cropped are insurable in the state hail insurance department in the manner specified in this chapter. Insurance obtained under the provisions of this chapter shall not become effective on winter wheat or winter rye before twelve o'clock noon, central standard time, of June first and shall not become effective on other crops before twelve o'clock noon, central standard time, of June tenth of any year. No indemnity shall be allowed for a loss to winter wheat, winter rye or corn which occurs later than twelve o'clock noon, central standard time of September fifteenth nor for a loss to flax which occurs later than twelve o'clock noon, central standard time, of October first nor for a loss to any other crop which occurs later than twelve o'clock noon, central standard time, of September twenty-fifth of any year. The insurance permitted under this chapter shall not be effective on any crops which have been damaged materially by hail before an application is filed with the state hail insurance department.

§ 2. EMERGENCY.) This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 7, 1951.

CHAPTER 190

S. B. No. 169
(Morgan and Day, by request)

RESERVE FUNDS, MUTUAL INSURANCE COMPANIES

AN ACT

To amend and reenact section 26-1416 of the North Dakota Revised Code of 1943, relating to reserve funds and mutual insurance companies.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.) Section 26-1416 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

26-1416. RESERVE FUND MAY BE ESTABLISHED; LIMITATION; USE OF THE SAME.) Any mutual insurance company, at a meeting called for that purpose, may provide for the accumulation of a permanent fund, in such amount as may from time to time be determined by the board of directors, by reserving a portion of the net profits for investment as a reserve for the security of the policyholders. When the fund so accumulated amounts to five percent of the sum insured by all policies in force, the whole of the net profits thereafter shall be divided among the insureds in cash as provided in the bylaws of the company. The permanent fund so accumulated shall be used for the payment of losses and expenses whenever the cash funds of the company in excess of an amount equal to its liabilities are exhausted.

Approved March 3, 1951.

CHAPTER 191

S. B. No. 148

(Fraser, Blume, Troxel, Sandness, Schoeder, Welanders,
Reinke and Coghlan)INDEMNITY COVERAGE AND TAX LEVY FOR STATE HAIL
INSURANCE

AN ACT

To amend and reenact section 26-2223 and section 26-2224 of the North Dakota Revised Code of 1943; and section 26-22241 and 26-2232 of the 1949 Supplement to the North Dakota Revised Code of 1943; relating to state hail insurance; amount of indemnity coverage and hail insurance indemnity tax levy.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.) Section 26-2223 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

26-2223. AMOUNT OF INDEMNITY; WHEN LOSSES ALLOWED.) The maximum amount of indemnity for total loss shall be either eight dollars per acre or twelve dollars per acre, and the application for hail insurance coverage may specify either of said amounts. No indemnity shall be allowed to any claimant for a loss of less than ten percent, and a loss of eighty-five percent or over shall be deemed a total loss. Only loss or damage to crops directly traceable to hail shall be allowed and no indemnity shall be allowed or paid for damage to any crop after it is abandoned.

§ 2. AMENDMENT.) Section 26-2224 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

26-2224. ADDITIONAL INSURANCE: APPLICATION; WHEN EFFECTIVE; CONTENTS OF APPLICATION.) If the original application for hail insurance calls for eight dollars per acres insurance, the insured, before loss and before July fifteenth, may make an application to the state hail insurance department for an additional four dollars per acre protection. Such application shall be made in duplicate upon forms prepared and furnished by the commissioner of insurance, and shall be mailed directly to the department at Bismarck, and shall contain the legal description of the land, the kind of crops, the acreage thereof on which additional insurance is desired, and a statement to the effect that such crops have not been damaged or destroyed by hail. The location of

the crops on which additional insurance is desired shall be shown on a diagram on the application blank. The application shall be signed by the applicant and shall be acknowledged before an assessor or sworn to before someone authorized to administer oaths. If the applicant is a tenant, the signed consent of the person liable for the hail indemnity tax must appear upon such application, and if the owner makes such application the written consent of the tenant must appear thereon. If an owner or a tenant acts as agent one for the other in filing such application, a written authorization so to act shall be attached to the application. An application for additional insurance is subject to the approval of the commissioner of insurance, and if approved, the duplicate thereof shall be returned to the applicant and shall be his policy of insurance. In no event shall such additional insurance become effective before the application is on file in the office of the state hail insurance department.

§ 3. AMENDMENT.) Section 26-22241 of the 1949 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

22-22241. ADDITIONAL COVERAGE BY STATE HAIL INSURANCE DEPARTMENT; AMOUNT OF INDEMNITY.) Any person who has made application for hail insurance coverage of either eight dollars or twelve dollars per acre with the state hail insurance department, may make application for additional coverage as herein provided. Such additional coverage shall be for five dollars or ten dollars per acre, as the application for such insurance may specify. Such application shall be made in duplicate at the office of the county auditor in the county where the land described in the application is located, and shall be made on forms to be furnished by the state hail insurance department.

Such application shall refer to the original application or applications already applied for, and contain a legal description of the land, the kind of crops and acreage of the same on which additional insurance is desired; in no event shall such additional insurance become effective before the application is on file in the state hail insurance department in Bismarck. No indemnity shall be allowed for any loss or damage to such crops after the same is abandoned. The county auditor shall be paid the sum of one cent per acre on all applications for such additional insurance approved by the state hail insurance department for his services in writing the applications as herein provided.

§ 4. AMENDMENT.) Section 26-2232 of the 1949 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

26-2232. COMMISSIONER DETERMINES RATE OF HAIL INDEMNITY TAX LEVY; COLLECTION OF HAIL INDEMNITY TAX BY COM-

MISSIONER WITH DISCOUNT; CERTIFICATE TO COUNTY AUDITORS; DUTIES OF COUNTY AUDITORS AND TREASURERS.) The commissioner of insurance shall determine the rate of levy for the hail indemnity tax in each of the districts described in section 26-2230. When twelve dollars per acre insurance is carried, the indemnity tax shall be as much greater than the tax for eight dollars per acre insurance as twelve is greater than eight. In addition to the tax levy provided for in this section an indemnity tax of four cents per acre shall be levied on all twelve dollar per acre insurance which shall be paid into the permanent surplus fund provided for in section 26-2207 of the North Dakota Revised Code of 1943 until such fund reaches the sum of four million dollars. As soon as possible after the hail indemnity tax rates have been determined, the commissioner shall send a statement by mail to each owner of real property against which the hail indemnity tax has been levied, setting forth the amount of said hail indemnity tax. The commissioner shall allow a five per cent discount to all persons who shall pay all of the hail indemnity tax levied on any tract or parcel of real property in any one year in full on or before the fifteenth day of November of the year in which such hail indemnity tax has been levied. As soon as possible after the fifteenth day of November of each year, the commissioner through the state hail insurance department, shall file with the county auditor of each county a complete list of descriptions of lands within such county upon which the state hail insurance department has carried the protection for the then current season based on the regular applications for hail insurance on file in his office after cancellation thereof and changes therein have been considered and cash payment have been credited. Each county auditor shall enter the unpaid hail indemnity tax in the tax list for his county and spread the same upon the tax rolls thereof in separate columns showing the amount of indemnity tax charged against each description of each tract, parcel, or subdivision of land insured with the department using the list described in this section as the basis therefor. The several county auditors and county treasurers shall make proper corrections on their records and shall cause deductions of hail indemnity taxes to be made from time to time upon receipt of certification from the state hail insurance department.

Approved March 10, 1951.

CHAPTER 192

H. B. No. 657
Erickson, Lindberg (Burke Divide)

PRIORITY OF HAIL INDEMNITY TAX LIEN AND
CANCELLATION OF HAIL TAXES

AN ACT

Amending and reenacting section 26-2235 of the North Dakota Revised Code of 1943, relating to priority of hail indemnity tax lien and cancellation of hail taxes.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.) That section 26-2235 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

§ 26-2235. PRIORITY OF HAIL INDEMNITY TAX LIEN.) The lien of the hail indemnity tax shall be prior and superior to all mortgages, contracts for deeds, liens, and judgments. This provision shall be legal notice that the hail indemnity taxes levied subsequent to March 7, 1933, are prior and superior to all mortgages, contracts for sale of real estate, liens, and judgments executed or otherwise coming into existence subsequent to March 7, 1933. The commissioner of insurance may cancel all 1932 and prior indemnity taxes, and 1927 prior flat taxes of record in the various counties in the state that are deemed uncollectable. All taxes cancelled under this provision shall be charged to the reserves for uncollectable hail taxes already set up on the department's records.

Approved March 5, 1951.

CHAPTER 193

H. B. No. 658
Erickson, Lindberg (Burke-Divide)

NOTICE OF HAIL LOSS; FILING; ADJUSTMENT; COSTS
WHEN NOTICE FILED LATE

AN ACT

To amend and reenact section 26-2244 of the North Dakota Revised Code of 1943 relating to notice of hail loss; when and where filed; contents; adjustment ordered; costs when notice filed late.

Re It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.) That section 26-2244 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

26-2244. NOTICE OF LOSS; WHEN AND WHERE FILED; CONTENTS; ADJUSTMENT ORDERED; COSTS WHEN NOTICE FILED LATE.) Any person claiming a loss by hail upon crops which are insured under this chapter shall notify the commissioner of insurance by registered mail within three days after the loss has been sustained. Such notice shall show:

1. The legal description of the land upon which the loss is claimed;
2. The interest in the damaged crop which is claimed by the person giving notice of loss;
3. The name and post office address of the person who is liable for the tax upon the land upon which the loss is sustained;
4. The name and post office address of any other person claiming any interest in the damaged crop or in the hail indemnity thereon;
5. The date of the loss; and
6. The estimated percentage of damage claimed.

The commissioner, as soon as possible after receiving such notice of loss, shall direct an official adjuster to visit the place of loss for the purpose of estimating and adjusting the same. The commissioner may extend for a reasonable period the time for reporting a hail loss to the department, upon the showing of an excuse for the failure to file within the time herein specified which is satisfactory to the commissioner. If the notice of loss

is not given within three days after the loss has been sustained, the commissioner may grant an adjustment, and if such adjustment is granted, the cost of the adjustment, in the discretion of the commissioner, may be charged against the claimant or deducted from any indemnity allowed for the loss. If such costs are so charged or deducted, the amount thereof shall accrue to the hail insurance fund.

Approved March 5, 1951.

CHAPTER 194

H. B. No. 702
(Lindberg, Burke-Divide)
(by request)

EXPENSE FUNDS, BENEVOLENT SOCIETIES

AN ACT

To amend and reenact section 26-2519 of the 1949 Supplement to the North Dakota Revised Code of 1943, relating to expense funds of benevolent societies.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.) Section 26-2519 of the 1949 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

26-2519. THE EXPENSE FUND; CREDITS TO; LEVIES FOR.) The membership fee of the society, which shall be not less than one dollar nor more than five dollars, may be used for expenses. The certificate of membership shall state the percentage of death assessments, not exceeding ten per cent, that may be used for expenses, and moneys received on such assessments, within the limitations herein stated, shall be credited to the expense fund. Expense fund assessments may be levied in accordance with the provisions therefor in the membership certificate in amounts not exceeding two dollars in any one calendar year.

Approved March 6, 1951.