

FIRE INSURANCE.

CHAPTER 100.

[S. B. 40.]

FIRE INSURANCE.

AN ACT in Relation to the Transaction of Business by Fire Insurance Companies or Associations Otherwise Than Through Resident Agents.

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

§ 1. FIRE INSURANCE. FOREIGN AGENTS.] No insurance company or association, not incorporated under the laws of this state, authorized to transact business herein, shall make, write, place or cause to be made, written or placed, any policy, duplicate policy or contract of insurance of any kind or character, or any general or floating policy, upon property situated or located in this state except after the said risk has been approved in writing, by an agent who is a resident of this state, regularly commissioned and licensed to transact insurance business therein, who shall countersign all policies so issued and make a record of the same on books provided for that purpose and receive the commission thereon when the premium is paid, to the end that the state may receive the taxes required by law to be paid on the premiums collected for insurance on all property located in the state, and the agents be paid the commission thereon.

Nothing in this act shall be construed to prevent any such insurance company or association, authorized to transact business in this state, from issuing policies at its principal or departments offices, covering property in this state, provided, that such policies are issued upon applications procured and submitted to such company by agents who are residents of this state, and licensed to transact the business of insurance herein, and who shall countersign all policies so issued and receive the commission thereon when paid; provided, no provision of the section is intended to or shall apply to direct insurance covering the rolling stock of railroad corporations or property in transit, while in the possession and custody of railroad corporations or other common carriers, nor to the movable property of such common carriers used or employed by them in their business as common carriers of freight, merchandise or passengers.

§ 2. CANNOT REINSURE.] No fire insurance company or association shall reinsure, or assume as a reinsuring company or otherwise in any manner or form whatever, the whole or any part of any risk or

liability, covering property located in this state, of any insurance company or association not authorized to transact business in this state.

§ 3. INSURANCE COMMISSIONER. EXAMINE RECORDS, BOOKS, ETC.] Whenever the commissioner of insurance shall have or receive information that any fire insurance company or association, not incorporated under the laws of this state, has violated any of the provisions of section 1 of this act, he is authorized, at the expense of such company or association, to examine, by himself or his accredited representative, at the principal office, or offices of such company or association, located in the United States of America, and also at such other offices or agencies of such company or association as he may deem proper, all books, records and papers of such company or association, and may examine under oath, the officers and managers and agents of such company or association as to such violation or violations. The refusal of any such company or association to submit to such examination or to exhibit its books and records for inspection shall be presumptive evidence that it is violating the provisions of the first section of this act, and shall subject it to the penalties prescribed and imposed by this act.

§ 4. PENALTY, FOR VIOLATION.] Any insurance company or association violating or failing to observe and comply with any of the provisions of this act, applicable thereto, shall be subject to and liable to pay a penalty of five hundred (\$500) dollars for each violation thereof and for each failure to observe and comply with any provisions of this act; such penalty may be collected and recovered in an action brought in the name of the state in any court having jurisdiction thereof. Any insurance company or association which shall neglect and refuse for thirty days after judgment in any such action to pay and discharge the amount of such judgment shall have its authority to transact business in this state revoked by the commissioner of insurance and such revocation shall continue for at least one year from the date thereof, nor shall any insurance company or association whose authority to transact business in this state shall have been so revoked be again authorized or permitted to transact business herein until it shall have paid the amount of any such judgment, and shall have filed in the office of the commissioner of insurance a certificate signed by its president or other chief officer to the effect that the terms and obligations of the provisions of this act are accepted by it as a part of the conditions of its right and authority to transact business in this state.

§ 5. REPEAL.] All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

EMERGENCY.] Whereas, an emergency exists in that a large portion of the fire insurance business is written by non-resident agents, thereby making it impossible for the state to collect the taxes justly due it on account of such business, therefore this act shall take effect and be in force from and after its passage and approval.

Approved February 9, 1901.