

INSURANCE

CHAPTER 140.

[S. B. 172—Simpson.]

STANDARD FORMS OF INSURANCE POLICIES

AN ACT Establishing Standard Forms in which Policies of Life Insurance may be Issued in this State and in which Policies of Life Insurance Companies Organized under the Laws of this State may be Issued, and Regulating the Conditions and Provisions to be Contained in Policies of Life Insurance Companies that do not Adopt such Standard Forms.

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

§ 1. AUTHORITY REQUIRED TO ISSUE POLICIES.] No policy of life insurance shall be issued or delivered in this state and no policy of life insurance of a life insurance company organized under the laws of this state shall be issued unless authorized by the provisions of this act.

§ 2. STANDARD FORMS.] The following are established as standard forms in which policies of life insurance may be issued and delivered in this state, and in which policies of life insurance of life insurance companies organized under the laws of this state may be issued:

NORTH DAKOTA STANDARD LIFE INSURANCE POLICY.

(Insert "Ordinary" or "Limited Payment.")

.....	Life
Age.....	
Amount \$.....	Premium \$.....
.....	
.....	
.....	

Of North Dakota

In consideration of.....Dollars, receipt of which is hereby acknowledged, and of the payment of (insert amounts and times of payments of premiums) until (insert "the death of the insured" in ordinary life and "...full year's premiums shall have been paid or until the prior death of the insured" in limited payment life.)

Promises to pay upon receipt at the home office of the.....
.....company in.....of due proof of death of.....
ofcounty of....., state of North Dakota,

herein called the insured, to.....beneficiary with (insert "out" if so desired) right of revocation,..... dollars, less any indebtedness hereon to the company and any unpaid portion of the premium for the then current policy year.

Change of Beneficiary. When the right of revocation has been reserved, or in case of death of any beneficiary under either a revocable or irrevocable designation, the insured, subject to any existing assignment of the policy, may designate a new beneficiary with or without reserving right of revocation by filing written notice thereof at the home office of the company, accompanied by the policy for a suitable endorsement thereon. If any beneficiary shall die before the insured and the insured shall not have designated a new beneficiary the interest of such beneficiary shall be payable to the insured, (insert "his" or "her") executors, administrators or assigns.

Payment of Premiums. The company will accept payment of premiums at other times than as above stated, as follows:

.....
.....

Except as herein provided the payment of the premium or installment thereof shall not maintain the policy in force beyond the date when the next premium or installment thereof is payable.

All premiums are payable in advance at said home office, or to an agent of the company upon delivery of the receipt signed by one or more of the following officers of the company (insert titles of officers who may sign receipts) and countersigned by the said agent.

A grace of one month subject to any interest charge at the rate of...per centum per annum shall be granted for the payment of every premium after the first, during which month the insurance shall continue in force. If the insured shall die during the month of grace the over due premiums will be deducted from any amount payable hereon in any settlement hereunder.

Conditions. (The policy may here provide for restrictions of liability by reason of travel, occupation, change of residence, and suicide. These restrictions such as refer to military and naval services in time of war, must be applicable only to cases where the act of the insured provided against occurs within two years after the issuance of the policy.)

Incontestability. The policy constitutes the entire contract between the parties and shall be incontestable from its date except for non-payments of premiums and except as otherwise provided in this policy. All statements made by the insured shall in the absence of fraud be deemed representations and not warranties, and no such statement shall avoid this policy unless it is contained in written application and a copy of such application shall be indorsed upon or attached to this policy when issued. If the age of the insured has been understated the amount payable hereunder shall be such as the premium paid would have purchased at the correct age.

Participation. This policy shall participate in the surplus of the company and beginning not later than the end of the (insert first, second or third) policy year the company will annually determine and account for the portion of the divisible surplus accruing hereon.

Dividends. Dividends at the option of the owner of this policy shall on the day ofof each year (here may be inserted "after the first policy year" or "after the second policy year") be either:

1. Paid in cash, or,
2. Applied toward payment of any premium or premiums, or,
3. Applied to the purchase of paid-up additions to the policy, or,
4. Left to accumulate to the credit of the policy with interest at (here insert a rate not exceeding that used by the company for calculating its reserves) per centum per annum and payable at the maturity of the policy, but withdrawable at the anniversary of the policy.

Unless the owner of the policy shall elect otherwise within three months after the mailing by the company of a written notice requiring such election the dividends shall be paid in cash.

Loans. After three full years' premiums have been paid, the company at any time, while this policy is in force, will advance, on proper assignment of this policy, and on the sole security thereof at a rate of interest not greater than ... per centum per annum, which interest if not paid annually shall be added to the principal and bear the same rate of interest, a sum equal to, or, at the option of the owner of the policy, less than the reserve at the end of the current policy year on this policy and on any dividend additions thereto, computed according to the (designate mortality table adopted by the company for computing reserve) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per centum per annum, less (here may be inserted not more than two and one-half) per centum of the amount insured by this policy and of the dividend additions thereto.

The company, however, will deduct from such loan value any existing indebtedness to the company on the policy and any unpaid balance of the premium for the current policy year, and may collect interest in advance on the loan to the end of the current policy year. Such loan may be deferred by the company for not exceeding six months after the application therefore is made. Failure to repay any such advance or to pay interest shall not void this policy unless the total indebtedness hereon to the company shall be equal or exceed such loan value at the time of such failure and until one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee, if any. No condition other than as herein provided shall be exacted as a prerequisite to any such advance.

Assignment. No assignment of this policy shall be binding upon the company until it be filed with the company at its said home office. The company assumes no responsibility as to the validity of any assignment.

Option of Surrender or Lapse. After this policy shall have been in force three years the owner, within one month after any default may elect (a) to accept the value of this policy in cash, or, (b) to have the insurance continued in force from date of default, without future participation and without the right to loan, for its face amount, including any outstanding dividend additions, less any indebtedness to the company thereon, or, (c) to purchase non-participating paid-up insurance payable at the same time and on the same conditions as this policy.

The cash value will be the reserve at the date of default on this policy and on any dividend additions thereto, computed according to the (designate mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per centum per annum, less (here may be inserted not more than two and one-half) per centum of the amount insured by this policy and of any dividend additions thereto, and less any existing indebtedness to the company on this policy. Payment of such cash value may be deferred by the company for not exceeding six months after the application therefor is made. The term for which the insurance will be continued or the amount of the paid-up policy will be such as the cash value will purchase as a net single premium at the attained age of the insured according to the (designate the mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per centum per annum. If the owner shall not, within one month from default, surrender this policy to the company at its home office for a cash surrender value or for paid up insurance as provided in options (a) and (c) the insurance will be continued as provided in option (b).

The figures in the following table are computed in accordance with the above provisions and upon the assumption that there is no indebtedness on the policy, and that there are no outstanding dividend additions.

(At the option of the company the following may be here inserted: "The figures apply to a policy for \$1,000. As this contract is for \$. the loan, cash, or paid insurance available in any year will be \$., the amount stated in the table for that year:")

	At end of Year	Cash or Loan Value	Paid up Life Insurance	Continued Insurance		
				Years	Months	Days
3	\$	\$	\$			
4	\$	\$	\$			
5	\$	\$	\$			
6	\$	\$	\$			
7	\$	\$	\$			
8	\$	\$	\$			
9	\$	\$	\$			
10	\$	\$	\$			
11	\$	\$	\$			
12	\$	\$	\$			
13	\$	\$	\$			
14	\$	\$	\$			
15	\$	\$	\$			
16	\$	\$	\$			
17	\$	\$	\$			
18	\$	\$	\$			
19	\$	\$	\$			
20	\$	\$	\$			

Figures for later years will be furnished upon request.

Reinstatement. In case of continued temporary insurance under the above provisions this policy upon evidence of insurability satisfactory to the company may be reinstated within the first three years of the term for which the insurance is continued by payment of arrears of premiums with interest at (here insert not more than six) per centum per annum.

Options at Maturity. The insured, by written notice to the company at its home office, and with the written consent of the assignee and irrevocable beneficiary, if any, may elect to have the net sum payable under this policy paid either in cash or as follows:

1. By the payment of interest thereon at per centum per annum payable annually, to the payee under this policy at the end of each year during the life of the payee and by the payment upon the death of the payee of the said net sum and accrued interest to the executors, administrators or assigns of the payee, unless otherwise directed in said notice.

2. By the payment of equal annual installments for a specified number of years, the first installment being payable immediately, in accordance with the following table for each \$1,000 of said net sum.

3. By the payment of equal annual installments payable at the beginning of each year for a fixed period of twenty years and for so many years longer as the payee shall survive in accordance with the following table for each \$1,000 of said net sum.

Installments payable under options two or three which shall not have been paid prior to the death of the payee shall be paid,

NORTH DAKOTA STANDARD LIFE INSURANCE POLICY
Endowment.

Age.....
Amount \$..... Premium \$.....
.....
.....
.....

of North Dakota.

In consideration ofdollars, receipt of which is hereby acknowledged, and the payment of (here insert amounts and times of payments of premiums) untilfull year's premiums shall have been paid or until the prior death of the insured.

Promises to pay at the home office of the company in..... toof, county of, state of North Dakota, herein called the insured, on theday of, if the insured be then living, or upon receipt at said home office of due record [proof] of the prior death of the insured, to, beneficiar..., with (insert "out" if so desired) right of revocation,dollars, less any indebtedness hereon to the company and any unpaid portion of the premium for the then current policy year.

Change of Beneficiary. When the right of revocation has been reserved or in case of the death of any beneficiary under either a revocable or irrevocable designation, the insured, subject to any existing assignment of the policy, may designate a new beneficiary with or without reserving right of revocation by filing written notice thereof at the home office of the company accompanied by the policy for suitable indorsement thereon. If any beneficiary shall die before the insured, and the insured shall not have designated a new beneficiary, the interest of such beneficiary shall be payable to the insured (insert "his" or "her") executive, administrators or assigns.

Payments of Premiums. The company will accept payments of premiums at other times than as stated above, as follows:

.....
.....

Except as herein provided the payment of a premium or installment thereof shall not maintain the policy in force beyond the date when the next premium or installment thereof is payable.

All premiums are payable in advance at the said home office or to any agent of the company upon delivery of a receipt signed by one or more of the following officers of the company (insert titles of officers who may sign receipts), and countersigned by said agent.

A grace of one month subject to an interest charge at the rate ofper centum per annum, shall be granted for the payment of every premium after the first, during which month the insurance

shall continue in force. If the insured shall die during the month of grace the overdue premium will be deducted from any amount payable hereon in any settlement hereunder.

Conditions. (The policy may here provide for restriction of liability by reason of travel, occupation, change of residence, and suicide. These restrictions, except such as refer to military and naval service in time of war, must be applicable only to cases where the act of the insured provided against occurs within two years after the issuance of the policy.)

Incontestability. This policy constitutes the entire contract between the parties and shall be incontestable from its date, except for non-payment of premiums and except as otherwise provided in this policy. All statements made by the insured shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall void this policy unless it is contained in a written application and a copy of such application shall be indorsed upon or attached to this policy when issued. If the age of the insured has been understated, the amount payable hereunder shall be such as the premium paid would have purchased at the correct age.

Participation. This policy shall participate in the surplus of the company and beginning not later than the end of the (insert first, second or third) policy year the company will annually determine and account for the portion of the divisible surplus accruing hereon.

Dividends. Dividends at the option of the owner of this policy shall on theday ofof each year (here may be inserted "after the first policy year" or "after the second policy year") be either:

1. Paid in cash, or,
2. Applied toward the payment of any premium or premiums, or,
3. Applied to the purchase of paid-up additions to the policy, or,
4. Left to accumulate to the credit of the policy with the interest at (here insert a rate not exceeding that used by the company in calculating its reserves) per centum per annum and payable at the maturity of the policy, but withdrawable on any anniversary of the policy.

Unless the owner of this policy shall elect otherwise within three months after the mailing by the company of a written notice requiring such election, the dividends shall be paid in cash.

Loans. After three full year's premiums have been paid the company at any time while this policy is in force, will advance, on proper assignment of the policy and on the sole security thereof, at a rate of interest not greater thanper centum per annum, which interest if not paid annually shall be added to the principal and bear the same rate of interest, a sum equal to, or, at the option of the owner of the policy, less than, the reserve at

the end of the current policy year, on this policy and on any dividend additions thereto, computed according to the (designate mortality table adopted by the company for computing reserves) mortality table, and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per centum per annum, less (here may be inserted not more than two and one-half) per centum of the amount insured by this policy and of any dividend additions thereto. The company, however, will deduct from such loan value any existing indebtedness to the company on this policy, and any unpaid balance of the premium for the current policy year, and may collect interest in advance on the loan to the end of the current policy year. Such loan may be deferred by the company for not exceeding six months after the application therefor is made. Failure to repay any such advance or to pay interest shall not void this policy unless the total indebtedness hereon to the company shall equal or exceed such loan value at the time of such failure and until one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee, if any.

No conditions other than as herein provided shall be exacted as a prerequisite to any such advance.

Assignment. No assignment of this policy shall be binding upon the company until it be filed with the company at its said home office. The company assumes no responsibility as to the validity of any assignment.

Options on Surrender or Lapse. After this policy shall have been in force three full years the owner, within one month after any default, may elect (a) to accept the value of this policy in cash, or, (b) to have the insurance continue in force from date of default without future participation and without the right to loans, for its face amount, including any outstanding dividend additions, less any indebtedness to the company hereon, or, (c) to purchase non-participating paid-up insurance payable at the same times and on the same conditions as this policy. The cash value will be the reserve at the date of default on this policy and on any dividend additions thereto computed according to the (designate mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per centum per annum less (here may be inserted not more than two and one-half) per centum of the amount insured by this policy and of any dividend additions thereto, and less any existing indebtedness to the company on this policy. Payment of such cash value may be deferred by the company for not exceeding six months after the application therefore is made.

The term for which the insurance will be continued or the amount of the paid-up policy will be such as the cash value will purchase as a net single premium at the attained age of the insured,

according to the (designate the mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per centum per annum. If the sum applicable to the purchase of temporary insurance shall be more than sufficient to continue the insurance to the end of the endowment term named in this policy the excess shall be used to purchase in the same manner non-participating paid-up pure endowment, payable at the end of the endowment term and on the same conditions. If the owner shall not, within one month from default surrender this policy to the company at the home office for a cash surrender value or for paid-up insurance as provided in options (a) and (c) the insurance will be continued as provided in option (b).

The figures in the following table are computed in accordance with the above provisions and upon the assumption that there is no indebtedness on the policy, and that there are no outstanding dividend additions.

(At the option of the company the following may be here inserted: "The figures apply to a policy of \$1,000. As this contract is for \$....., the loan, cash, paid-up insurance on pure endowment available in any year will bethe amount stated in the table for this year.")

	At End of Year	Cash or Loan Value	Paid Up Endowment Insurance	Continued Insurance			Pure Endowment
				Years	Months	Days	
3	\$.....	\$.....	\$.....	\$.....
4	\$.....	\$.....	\$.....	\$.....
5	\$.....	\$.....	\$.....	\$.....
6	\$.....	\$.....	\$.....	\$.....
7	\$.....	\$.....	\$.....	\$.....
8	\$.....	\$.....	\$.....	\$.....
9	\$.....	\$.....	\$.....	\$.....
10	\$.....	\$.....	\$.....	\$.....
11	\$.....	\$.....	\$.....	\$.....
12	\$.....	\$.....	\$.....	\$.....
13	\$.....	\$.....	\$.....	\$.....
14	\$.....	\$.....	\$.....	\$.....
15	\$.....	\$.....	\$.....	\$.....
16	\$.....	\$.....	\$.....	\$.....
17	\$.....	\$.....	\$.....	\$.....
18	\$.....	\$.....	\$.....	\$.....
19	\$.....	\$.....	\$.....	\$.....
20	\$.....	\$.....	\$.....	\$.....

Figures for later years will be furnished upon request.

Reinstatement. In case of continued temporary insurance under the above provision this policy upon evidence of insurability satisfactory to the company may be reinstated within the first three years of the term for which the insurance is continued, by payment

of arrears of premiums with interest at (here insert not greater than six) per centum per annum.

Options at Maturity. The insured, by written notice to the company at its home office, and with written consent of the assigned and irrevocable beneficiary, if any, may elect to have the net sum payable under this policy paid either in cash or as follows:

1. By the payment of interest thereon atper centum per annum payable annually, to the payee under this policy at the end of each year during the life of the payee and by the payment upon the death of the payee of the said net sum and accrued interest to the executors, administrators or assigns of the payee, unless otherwise directed in said notice.

2. By the payment of equal annual installments for a specified number of years, the first installment being payable immediately in accordance with the following table for each \$1,000 of said net sum.

3. By the payment of equal annual installments payable at the beginning of each year for a fixed period of twenty years, and for so many years longer as the payee shall survive, in accordance with the following table for each \$1,000 of said net sum.

Installments payable under options two or three which shall not have been paid prior to the death of the payee shall be paid, unless otherwise directed in said notice, to the executors, administrators or assigns of the payee.

If the insured shall not have directed otherwise the beneficiary may, after the death of the insured, by like written notice, and with the written consent of the assignee, if any, select either of the above options.

Unless otherwise specified by the insured the payee may on any interest date receive the amount yet due under option one, and may at any time receive the commuted value of payments yet to be made, computed upon the same basis as option two in the following table, provided that no such commutation will be made under three except after the death of the payee occurring within the aforesaid twenty years.

(insert "his" or "her") executors, administrators or assigns, with (insert "out" if so desired) right of revocation, if (insert "he" or "she") survives the insured (otherwise to the executors, administrators or assigns of the insured) the first installment being payable immediately upon receipt of due proof of the death of the insured, any indebtedness to the company on this policy, together with the balance, if any, of the then current year's premium being deducted from the amounts first payable under this contract.

Should the beneficiary live to receive the twenty installments payable to (insert "him" or "her") as above provided, the company will pay (insert "him" or "her") annually during the remainder of (insert "his" or "her") life the sum of \$. beginning one year after the date when the twentieth installment payable hereunder shall fall due.

Change of Beneficiary. When the right of revocation has been reserved, or in case of the death of any beneficiary under either a revocable or irrevocable designation, the insured subject to any existing assignment of the policy, may designate a new beneficiary with or without reserving right of revocation, by filing written notice thereof at the home office of the company, accompanied by the policy for suitable indorsement thereon. If any beneficiary shall die before the insured and the insured shall not have designated a new beneficiary, the interest of such beneficiary shall be payable to the insured, (insert "his" or "her") executors, administrators or assigns. If a new beneficiary shall be designated only twenty annual installments will be payable under this policy, and future (if necessary, insert "semi" or "quarterly") annual premiums will be reduced to dollars each.

Payment of Premiums. The company will accept payment of premiums at other times than as stated above, as follows:

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Upon return of this policy to the company accompanied by evidence satisfactory to the company of the death of the beneficiary the company will reduce the future (here insert "annual," "semi-annual" or "quarterly") premium to \$. each.

Except as herein provided the payment of a premium or installment thereof shall not maintain the policy in force beyond the date when the next premium or installment thereof is payable.

All premiums are payable in advance at said home office, or to an agent of the company upon delivery of a receipt signed by one or more of the following officers of the company (insert titles of officers who may sign receipts) and countersigned by said agent.

A grace of one month subject to an interest charge at the rate of . . . per centum per annum shall be granted for the payment of every premium after the first, during which month the insurance shall continue in force. If the insured shall die during

the month of grace the overdue premium will be deducted from any amount payable hereon in any settlement hereunder.

Conditions. (The policy may here provide for restriction of liability by reason of travel, occupation, change of residence, and suicide. These restrictions, except such as refer to military and naval service in time of war, must be applicable only to cases where the act of the insured provided against occurs within two years after the issuance of the policy.)

Incontestability. This policy constitutes the entire contract between the parties and shall be incontestable from its date, except for non-payment of premiums and except as otherwise provided in this policy. All statements made by the insured shall in the absence of fraud be deemed representations and not warranties and no such statement shall void this policy unless it is contained in a written application and a copy of such application shall be indorsed upon or attached to this policy when issued.

If the age of the insured has been understated or if the age of the beneficiary has been overstated, the amount payable hereunder shall be such as the premium paid would have purchased at the correct age.

Participation. This policy shall participate in the surplus of the company and beginning not later than the end of the (insert first, second or third) policy year the company will annually determine and account for the portion of the divisible surplus accruing thereon.

Dividends. Dividends at the option of the owner of the policy shall on theday ofof each year (here may be inserted "after the first policy year" or "after the second policy year") be either:

1. Paid in cash, or,
 2. Applied toward the payment of any premium or premiums,
- or,
3. Applied to the purchase of paid-up additions to the policy, payable in twenty annual installments at the same times as the original amount insured under this policy is payable. The payments of such twenty installments shall discharge the company from all liability on account of such dividend additions, or
 4. Left to accumulate to the credit of the policy with interest at (here insert a rate not exceeding that used by the company in calculating its reserves) per centum per annum and payable at the maturity of the policy, but withdrawable on any anniversary of the policy.

Unless the owner of this policy shall elect otherwise within three months after the mailing by the company of a written notice requiring such election, the dividends shall be paid in cash.

Loans. After three full year's premiums have been paid, the company at any time, while this policy is in force, will advance on the proper assignment of this policy and on the sole security thereof,

at a rate of interest not greater thanper centum per annum, which interest if not paid annually shall be added to the principal and bear the same rate of interest, a sum equal to, or, at the option of the owner of the policy, less than, the reserve at the end of the current policy year required to provide for the twenty installments payable under this policy and for any dividend additions thereto and no more, computed according to the (designate mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per centum per annum, less (here may be inserted not more than two and one-half) per centum per annum of the amount insured by the policy, and of any dividend additions thereto. The company will deduct, however, from such loan value any existing indebtedness to the company on the policy and any unpaid balance of the premium for the current policy year, and may collect interest in advance on the loan to the end of the current policy year. Such loan may be deferred by the company for not exceeding six months after the application therefor is made. Failure to repay any such advance or to pay interest shall not void this policy unless the total indebtedness hereon to the company shall equal or exceed such loan value at the time of such failure, and until one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee, if any. No condition other than as herein provided shall be exacted as a prerequisite to any such advance.

Assignment. No assignment of this policy shall be binding upon the company until it be filed with the company at its said home office. The company assumes no responsibility as to the validity of any assignment.

Options on Surrender or Lapse. After this policy shall have been in force three full years the owner, within one month after any default may elect,

- (a) To accept the value of the policy in cash, or,
- (b) To have the insurance continued in force from date of default without future participation and without the right to loans, for its face amount, including any outstanding dividend additions, less any indebtedness to the company hereon, or,
- (c) To purchase non-participating paid-up insurance, payable except as hereinafter provided, at the same time and on the same conditions as this policy. The cash value will be the reserve at the date of default required to provide for the twenty installments payable under this policy and for any dividend additions hereto, computed according to the (designate mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per centum per annum, less (here may be inserted not more than two and one-half) per centum of the

amount insured by this policy and of any dividend additions thereto, and less any existing indebtedness to the company on this policy. Payment of such cash value may be deferred by the company for not exceeding six months after the application therefor is made. The term for which the insurance will be continued or the amount of the paid-up policy will be such as the cash value would purchase as a net single premium at the attained age of the insured according to the (designate the mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate the rate of interest adopted by the company for computing reserves) per centum per annum. If the owner shall not within one month from default surrender this policy to the company at its home office for a cash surrender value or paid-up insurance as provided in options (a) and (c) the insurance will be continued as provided in option (b). The paid-up or continued temporary insurance will be payable in twenty equal installments and a payment of twenty installments under either option shall discharge the company from all liability under this policy. The figures in the following table are computed in accordance with the above provisions and upon the assumption that there is no indebtedness upon the policy, and that there are no outstanding dividend additions. (At the option of the company the following may be here inserted: "The figures apply to a policy for \$1,000. As this contract is for \$. the loan, cash, or paid-up insurance, available in any year will be \$. the amount stated in the table for that year.")

	At End of Year	Cash or Loan Value	Paid Up Life Insurance	Years	Continued Insurance Months	Days
3	\$.....	\$.....
4	\$.....	\$.....
5	\$.....	\$.....
6	\$.....	\$.....
7	\$.....	\$.....
8	\$.....	\$.....
9	\$.....	\$.....
10	\$.....	\$.....
11	\$.....	\$.....
12	\$.....	\$.....
13	\$.....	\$.....
14	\$.....	\$.....
15	\$.....	\$.....
16	\$.....	\$.....
17	\$.....	\$.....
18	\$.....	\$.....
19	\$.....	\$.....
20	\$.....	\$.....

Figures for later years will be furnished upon request.

Reinstatement. In case of continued temporary insurance under the above provisions this policy upon evidence of insurability satisfactory to the company may be reinstated within the first three years of the term for which the insurance is continued by payment of arrears of premium with interest at (here insert not greater than six) per centum per annum.

Agents are not authorized to modify this policy or extend the time for paying the premium.

In witness whereof the company has caused this policy to be executed thisday of

NORTH DAKOTA STANDARD LIFE INSURANCE POLICY.

Endowment Fixed Survivorship Annuity.

Age.....

Amount \$..... Premium \$.....

of North Dakota.

In consideration ofdollars, receipt of which is hereby acknowledged, and of the payment of (here insert amounts in times of payments of premiums) untilfull year's premiums shall have been paid or until the prior death of the insured.

Promises to pay at its home office in.....,dollars in twenty equal annual installments of \$..... to the insured, the first installment to be payable on theday of, 190..., andif the insured shall die before receiving all the twenty installments herein provided for, the remainder of such twenty installments shall be payable as they fall due to..... (herein called the beneficiary), (insert "his" or "her") executors, administrators or assigns, with..... (insert "out" if so desired) right of revocation, if (insert "he" or "she") survives the insured, otherwise to the executors, administrators or assigns of the insured.

Should the insured die before (insert date of maturity) this policy shall be payable to the beneficiary (insert "his" or "her") executors, administrators or assigns, if (insert "he" or "she") survives the insured, otherwise to the executors, administrators or assigns of the insured, (the first installment, being payable immediately upon receipt of due proof of the death of the insured.)

Any indebtedness to the company on this policy together with the balance, if any, of the then current year's premium, will be deducted from the amounts first payable under this contract.

Should the insured or beneficiary live to receive the twenty installments payable as above provided, the company, beginning one year after the date when the twentieth installment payable hereunder shall fall due, will pay the sum of \$. annually to the insured, or, in the event of the death of the insured, to the beneficiary the said annual payment to be due and payable so long as either the insured or beneficiary is living.

Change of Beneficiary. When the right of revocation has been reserved, or in case of the death of any beneficiary under either a revocable or irrevocable designation, the insured, subject to any existing assignment of the policy, may designate a new beneficiary with or without reserving right of revocation by filing written notice thereof at the home office of the company, accompanied by the policy for suitable indorsement thereon.

If any beneficiary shall die before the insured and the insured shall not have designated a new beneficiary the interest of such beneficiary shall be payable to the insured, (insert "his" or "her") executors, administrators or assigns. If a new beneficiary shall be designated only twenty annual installments will be payable under this policy, and future, (if necessary, insert "semi" or "quarter") annual premiums will be reduced todollars each.

Payment of Premiums. The company will accept payment of premiums at other times than as stated above, as follows :

.
.

Upon return of this policy accompanied by evidence satisfactory to the company of the death of the beneficiary the company will reduce the future (here insert "annual" "semi-annual" or "quarterly") premiums to \$.each.

Except as herein provided the payment of a premium or installment thereof shall not maintain the policy in force beyond the date when the next premium or installment thereof is payable. All the premiums are payable in advance at said home office, or to any agent of the company upon delivery of a receipt signed by one or more of the following officers of the company (insert titles of officers who may sign receipts) and countersigned by said agent.

A grace of one month subject to an interest charge at the rate of per centum per annum shall be granted for the payment of every premium after the first, during which month the insurance will continue in force. If the insured shall die during the month of grace the overdue premium will be deducted from any amount payable hereon in any settlement hereunder.

Conditions. (The policy may here provide for restrictions of liability by reason of travel, occupation, change of residence and suicide. These restrictions, except such as refer to military and naval service in time of war, must be applicable only to cases where the act of the insured provided against occurs within two years after the issuance of the policy.)

Incontestability. This policy constitutes the entire contract between the parties and shall be incontestable from its date, except for non-payment of premiums and except as otherwise provided in this policy. All statements made by the insured shall in the absence of fraud be deemed representations and not warranties and no such statement shall void this policy unless it is contained in a written application and a copy of such application shall be indorsed upon or attached to this policy when issued.

If the age of the insured has been understated, or if the age of the beneficiary has been overstated, the amount payable hereunder shall be such as the premium paid would have purchased at the correct age.

Participation. This policy shall participate in the surplus of the company and beginning not later than the end of the (insert first, second or third) policy year the company will annually determine and account for the portion of the divisible surplus accruing thereon.

Dividends. Dividends at the option of the owner of this policy shall on the.....day of.....of each year (here may be inserted "after the first policy year" or "after the second policy year") be either :

1. Paid in cash, or,
 2. Applied toward the payment of any premium or premiums,
- or,
3. Applied to the purchase of paid-up additions to the policy, payable in twenty annual installments at the same time as the original amount insured under this policy is payable. The payment of such twenty installments shall discharge the company from all liability on account of such dividend additions; or,
 4. Left to accumulate to the credit of the policy with interest at (here insert a rate not exceeding that used by the company in calculating its reserves) per centum per annum and payable at the maturity of the policy, but withdrawable on any anniversary of the policy.

Unless the owner of this policy shall elect otherwise within three months after the mailing by the company of a written notice requiring such election, the dividends shall be paid in cash.

Loans. After three full year's premiums have been paid the company at any time, while this policy is in force, will advance on proper assignment of this policy and on the sole security thereof, at a rate of interest not greater than per centum per annum, which interest if not paid annually shall be added to the principal and bear the same rate of interest, a sum equal to, or, at the option of the owner of the policy, less than, the reserve at the end of the current policy year required to provide for the twenty installments payable under this policy and for any dividend additions thereto, and no more, computed according to the (designate mortality table adopted by the company for computing reserves) mortality table, and interest at the rate of (designate rate of interest adopted by the com-

pany for computing reserves) per centum per annum, less (here may be inserted not more than two and one-half per centum) of the amount insured by this policy and of any dividend addition thereto. The company, however, will deduct from such loan value any existing indebtedness to the company on the policy and any unpaid balance of the premium for the current policy year, and may collect interest in advance on the loan to the end of the current policy year. Such loan may be deferred by the company for not exceeding six months after the application therefor is made. Failure to repay any such advance or to pay interest shall not avoid this policy unless the total indebtedness hereon to the company shall equal or exceed such loan value at the time of such failure, and until one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee, if any. No condition other than as herein provided shall be exacted as a prerequisite to any such advance.

Assignment. No assignment of this policy shall be binding upon the company until it be filed with the company at its said home office. The company assumes no responsibility as to the validity of the assignment.

Options on Surrender or Lapse. After this policy shall have been in force three full years the owner, within one month after any default, may elect:

- (a) To accept the value of this policy in cash, or,
- (b) To have the insurance continued in force from date of default, without future participation and without the right of loans, for its face amount, including outstanding dividend additions, less any indebtedness to the company hereon, or,
- (c) To purchase non-participating paid-up insurance, payable, except as hereinafter provided, at the same time and on the same conditions as this policy. The cash value will be the reserve at the date of default required to provide for the twenty installments payable under this policy and for any dividend additions thereto, computed according to the (designate mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per centum per annum, less (here may be inserted not more than two and one-half) per centum of the amount insured by this policy and of any dividend additions thereto, and less any existing indebtedness to the company on this policy. Payment of such cash value may be deferred by the company for not exceeding six months after the application therefor is made. The term for which the insurance will be continued or the amount of the paid-up policy will be such as the cash value will purchase as a net single premium at the attained age of the insured according to the (designate the mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per

centum per annum. If the sum applicable to the purchase of temporary insurance shall be more than sufficient to continue the insurance to the end of the endowment term named in this policy, the excess shall be used to purchase in the same manner non-participating, paid-up pure endowment, payable at the end of the endowment term and on the same conditions.

If the owner shall not within one month from default surrender this policy to the company at its home office for a cash surrender value or for paid-up insurance as provided in options (a) and (c) the insurance will be continued as provided in option (b). The paid-up or continued temporary and pure endowment insurance will be payable in twenty equal annual installments and the payment of twenty installments under either option shall discharge the company from all liability under this policy.

The figures in the following table are computed in accordance with the above provisions and upon the assumption that there is no indebtedness on the policy, and that there are no outstanding dividend additions.

(At the option of the company the following may be here inserted: "The figures apply to a policy of \$1,000. As this contract is for \$....., the loan, cash, paid-up insurance or pure endowment available in any year will be the amount stated in the table for that year.")

At End of Year	Cash or Loan Value	Paid Up Endowment Insurance	Continued Insurance			Pure Endowment.
			Years	Months	Days	
3	\$.....	\$.....	\$.....
4	\$.....	\$.....	\$.....
5	\$.....	\$.....	\$.....
6	\$.....	\$.....	\$.....
7	\$.....	\$.....	\$.....
8	\$.....	\$.....	\$.....
9	\$.....	\$.....	\$.....
10	\$.....	\$.....	\$.....
11	\$.....	\$.....	\$.....
12	\$.....	\$.....	\$.....
13	\$.....	\$.....	\$.....
14	\$.....	\$.....	\$.....
15	\$.....	\$.....	\$.....
16	\$.....	\$.....	\$.....
17	\$.....	\$.....	\$.....
18	\$.....	\$.....	\$.....
19	\$.....	\$.....	\$.....
20	\$.....	\$.....	\$.....

Figures for later years will be furnished upon request.

Reinstatement. In case of continued temporary insurance under the above provisions this policy upon evidence of insurability satisfactory to the company may be reinstated within the first three years

of the term for which the insurance is continued by payment of arrears of premiums with interest at (here insert not greater than six) per centum per annum.

.....

Agents are not authorized to modify this policy or to extend the time for paying a premium.

In witness whereof, the company has caused this policy to be executed this day of.....

NORTH DAKOTA STANDARD LIFE INSURANCE POLICY.

Term.

Age.....

Amount \$..... Premium \$.....

.....

Of North Dakota.

In consideration ofdollars, receipt of which is hereby acknowledged, and of the payment of (here insert amounts and times of payments of premiums) until full year's premiums shall have been paid or until the prior death of the insured, promises to pay upon receipt at the home office of the company in of due proof of the death of, of county of state of North Dakota, herein called the insured, within years from the date hereof, dollars, less any indebtedness hereon to the company and any unpaid portion of the premium for the then current policy year, at said home office, to beneficiary with (insert "out" if so desired) right of revocation.

Change of Beneficiary. When the right of revocation has been reserved, or in case of the death of any beneficiary under either a revocable or irrevocable designation, the insured, subject to any existing assignment of the policy, may designate a new beneficiary with or without reserving the right of revocation by filing written notice thereof at the home office of the company, accompanied by the policy for suitable indorsement thereon. If any beneficiary shall die before the insured and the insured shall not have designated a new beneficiary the interest of such beneficiary shall be payable to the insured, (insert "his" or "her") executors, administrators or assigns.

Payment of Premiums. The company will accept payment of premiums at other times than as stated above, as follows:

.....

Except as herein provided the payment of a premium or installment thereof shall not maintain the policy in force beyond the date when the next premium or installment thereof is payable.

All premiums are payable in advance at said home office, or to an agent of the company upon delivery of a receipt signed by one or more of the following officers of the company (insert titles of officers who may sign receipts) and countersigned by said agent.

A grace of one month subject to an interest charge at the rate of per centum per annum shall be granted for the payment of every premium after the first, during which month the insurance shall continue in force. If the insured shall die during the month of grace the overdue premium will be deducted from any amount payable hereon in any settlement hereunder.

Conditions. (The policy may here provide for restrictions of liability by reason of travel, occupation, change of residence and suicide. These restrictions, except such as refer to military and naval service in time of war, must be applicable only to cases where the act of the insured provided against occurs within two years after the issuance of the policy.)

Incontestability. This policy constitutes the entire contract between the parties and shall be incontestable, from its date, except for non-payment of premiums and except as otherwise provided in this policy. All statements made by the insured shall in the absence of fraud be deemed representations and not warranties and no such statement shall avoid this policy unless it is contained in a written application and a copy of such application shall be indorsed upon or attached to this policy when issued. If the age of the insured has been understated, the amount payable hereunder shall be such as the premium paid would have purchased at the correct age.

Participation. This policy shall participate in the surplus of the company and beginning not later than the end of the (insert first, second or third) policy year the company will annually determine and account for the portion of the divisible surplus accruing hereon.

Dividends. Dividends at the option of the owner of this policy shall on the day of of each year (here may be inserted "after the first policy year" or "after the second policy year") be either

1. Paid in cash, or,
2. Applied toward the payment of any premium or premiums, or (the policy, at the option of the company, may here provide for a further option, as follows:)

3. Left to accumulate to the credit of the policy with interest at (here insert a rate not exceeding that used by the company in calculating its reserves) per centum per annum and payable at the maturity of the policy, or at the expiration of the term, but withdrawable on any anniversary of the policy.

Unless the owner of this policy shall elect otherwise within three months after the mailing by the company of a written notice requiring such election, the dividends shall be paid in cash.

Assignment. No assignment of this policy shall be binding upon the company, until it be filed with the company at its said home office.

The company assumes no responsibility as to the validity of any assignment.

(If the term of the policy is for more than twenty years, the company shall provide for continuance of insurance on surrender or lapse in the following form:—)

Continuance of Insurance on Lapse. In event of default in premium payments after this policy shall have been in force three full years, the reserve hereon according to the (designate mortality table adopted by the company for computing reserves) mortality table and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per centum per annum, less (here may be inserted not more than two and one-half) per centum of the amount insured by this policy will be applied to the purchase of non-participating continued temporary insurance for the face amount of this policy at net single premium rates at the attained age of the insured according to the same table of mortality and rate of interest.

TABLE OF CONTINUED INSURANCE.

At End of Year	Years	Continued Insurance Months	Days
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

Figures for later years will be furnished upon request.

(If the term policy is for more than twenty years the company shall provide for reinstatement in the following form:)

Reinstatement. Upon evidence of insurability satisfactory to the company this policy may be reinstated within the first three years of the term for which the insurance is continued by payment of arrears of premiums with interest at (here insert not greater than six) per centum per annum.

Options at Maturity. The insured, by written notice to the company at its home office and with written consent of the assignee and

irrevocable beneficiary, if any, may elect to have the net sum payable under this policy paid either in cash or as follows:

1. By the payment of interest thereon atper centum per annum, payable annually to the payee under this policy at the end of each year during the life of the payee and by the payment upon the death of the payee of the said net sum and accrued interest to the executors, administrators or assigns of the payee, unless otherwise directed in said notice.

2. By the payment of equal annual installments for a specified number of years, the first installment being payable immediately, in accordance with the following table for each \$1,000 of said net sum.

3. By the payment of equal annual payments payable at the beginning of each year for a fixed period of twenty years and for so many years longer as the payee shall survive, in accordance with the following table for each \$1,000 of said net sum.

Installments payable under options (2) or (3) which shall not have been paid prior to the death of the payee shall be paid, unless otherwise directed in said notice, to the executors, administrators, or assigns of the payee.

If the insured shall not have directed otherwise the beneficiary may, after the death of the insured, by like written notice, and with the written consent of the assignee, if any, select either of the above options.

Unless otherwise specified by the insured the payee may on any interest date receive the amount yet due under option (1), and may at any time receive the commuted value of payments yet to be made, computed upon the same basis as option (2) in the following table, provided that no such commutation will be made under (3), except after the death of the payee occurring within the aforesaid twenty years.

TABLE OF INSTALLMENTS FOR EACH \$1,000.

OPTION 2.		OPTION 3.	
Number of Annual Installments	Amount of Each Installment	Age of Payee When Policy Becomes Payable	Amount of Each Installment
(Blank lines)			

Agents are not authorized to modify this policy or to extend the time for paying a premium.

In Witness Whereof, the company has caused this policy to be executed this day of

NORTH DAKOTA STANDARD LIFE INSURANCE POLICY.

Term with right to renew and change.

Age.....

Amount \$.....Premium \$.....

.....

OF NORTH DAKOTA.

In consideration ofdollars. receipt of which is hereby acknowledged, and of the payment of (here insert amounts and times of payments of premium) untilfull year's premium shall have been paid or until the prior death of the insured,

Promises to pay upon receipt at the home office of the company in of due proof of the death of..... of, county of, state of North Dakota, herein called the insured, withinyears from the date hereof,dollars, less any indebtedness hereon to the company and any unpaid portion of the premium for the then current policy year, at said home office, tobeneficiarwith (insert "out" if so desired) right of revocation.

Change of Beneficiary. When the right of revocation has been reserved, or in case of the death of any beneficiary under either a revocable or irrevocable designation, the insured, subject to any existing assignment of the policy, may designate a new beneficiary with or without reserving right of revocation by filing written notice thereof at the home office of the company, accompanied by the policy for suitable indorsement thereon. If any beneficiary shall die before the insured and the insured shall not have designated a new beneficiary the interest of such beneficiary shall be payable to the insured (insert "his" or "her") executors, administrators or assigns.

Payment of Premiums. The company will accept payment of premiums at other times than as stated above, as follows:

.....

Except as herein provided the payment of premium or installment thereof shall not maintain the policy in force beyond the date when the next premium or installment thereof is payable.

All premiums are payable in advance at said home office, or to an agent of the company upon delivery of a receipt signed by one or more of the following officers of the company (insert titles of officers who may sign receipts) and countersigned by said agent.

A grace of one month subject to an interest charge at the rate ofper centmu per annum shall be granted for the payment of every premium after the first, during which month the insurance shall continue in force. If the insured shall die during the month of grace the overdue premium will be deducted from any amount payable hereon in any settlement hereunder.

Conditions. (The policy may here provide for restrictions of liability by reason of travel, occupation, change of residence, and suicide. These restrictions, except such as refer to military and naval service in time of war, must be applicable only to cases where the act of the insured provided against occurs within two years after the issuance of the policy.)

Incontestability. This policy constitutes the entire contract between the parties and shall be incontestable from its date, except for non-payment of premiums and except as otherwise provided in this policy. All statements made by the insured shall in the absence of fraud be deemed representations and not warranties and no such statement shall avoid this policy unless it is contained in a written application and a copy of such application shall be indorsed upon or attached to this policy when issued.

If the age of the insured has been understated, the amount payable hereunder shall be such as the premium paid would have purchased at the correct age.

Participation. This policy shall participate in the surplus of the company and beginning not later than the end of the (insert first, second and third) policy year the company will annually determine and account for the portion of the divisible surplus accruing hereon.

Dividends: Dividends at the option of the owner of this policy shall on the..... day of of each year (here may be inserted "after the first policy year" or "after the second policy year") be either:

1. Be paid in cash, or,
2. Applied toward the payment of any premium or premiums. (The policy at the option of the company may here provide for a further option, as follows:)
3. Left to accumulate to the credit of the policy with interest at (here insert a rate not exceeding that used by the company in calculating its reserves) per centum per annum and payable at the maturity of the policy, or at the expiration of the term, but withdrawable on any anniversary of the policy.

Unless the owner of this policy shall elect otherwise within three months after the mailing by the company of a written notice requiring such election, the dividends shall be paid in cash.

Privilege of Renewal. The owner of this policy, if the insured be not over the age of sixty-five years, may renew this policy for the further terms of years each by written notice to the company at its said home office accompanied by this policy for suitable indorsement on or before the expiration of the insurance hereunder and by paying the premiums to be fixed by the age on the birthday nearest to the date of such renewal in accordance with the following table for each one thousand dollars of insurance; if the insured shall be over the age of sixty-five years this policy may upon similar notice be surrendered for an ordinary life policy which shall

require premiums during life in accordance with the following table for each one thousand dollars of insurance.

TABLE OF PREMIUMS FOR RENEWALS.

Attained Age	Years Term Premium Payable in Advance for Each \$1,000	Attained Age	Ordinary Life Premium Payable in Advance for Each \$1,000
--------------	--	--------------	---

(Blank lines)

Privilege to Change to Other Forms of Policies. The owner of this policy may at any time within the firstyears exchange this policy for a participating policy for the same amount or any less amount upon the ordinary life, limited payment life, or endowment plan upon any anniversary of the policy, or within the month of grace by surrendering the policy to the company at said home office with written notice of the election and by paying the premiums to be fixed by the age on the birthday nearest to the date of such exchange according to the rates of the company then in force.

Assignment. No assignment of this policy shall be binding upon the company, until it be filed with the company at its said home office. The company assumes no responsibility as to the validity of any assignment.

(If the term of the policy is for more than twenty years the company shall provide for continuance of insurance on surrender or lapse in the following form:)

Continuance of Insurance on Lapse. In event of default in premium payments after this policy shall have been in force three full years, the reserve hereon according to the (designate mortality table, adopted by the company for computing reserves) mortality table, and interest at the rate of (designate rate of interest adopted by the company for computing reserves) per centum per annum, less (here may be inserted not more than two and one-half) per centum of the amount insured by this policy will be applied to the purchase of non-participating continued temporary insurance for the face amount of this policy at net single premium rates at the attained age of the insured according to the same table of mortality and rate of interest.

TABLE OF CONTINUED INSURANCE

At End of Year	Years	Continued Insurance Months	Days
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

Figures for later years will be given upon request.

(If the term of the policy is for more than twenty years, the company shall provide for reinstatement in the following form:)

Reinstatement. Upon evidence of insurability satisfactory to the company this policy may be reinstated within the first three years of the term for which the insurance is continued by payment of arrears of premiums with interest at (here insert not greater than six) per centum per annum.

Options at Maturity. The insured, by written notice to the company at its home office and with the written consent of the assignee and irrevocable beneficiary, if any, may elect to have the net sum payable under this policy paid either in cash or as follows:

1. By the payment of interest thereon at per centum per annum, payable annually, to the payee under this policy at the end of each year during the life of the payee and by the payment upon the death of the payee of the said net sum and accrued interest to the executors, administrators or assigns of the payee, unless otherwise directed in said notice.

2. By the payment of equal annual installments for a specified number of years, the first installment being payable immediately, in accordance with the following table for each \$1,000 of said net sum.

3. By the payment of equal annual installments payable at the beginning of each year for a fixed period of twenty years and for so many years longer as the payee shall survive, in accordance with the following table for each \$1,000 of said net sum.

Installments payable under (2) or (3) which shall not have been paid prior to the death of the payee shall be paid, unless other-

wise directed in said notice, to the executors, administrators or assigns of the payee.

If the insured shall not have otherwise directed the beneficiary may after the death of the insured by like written notice and with the written consent of the assignee, if any, select either of the above options.

Unless otherwise specified by the insured the payee may, on any interest date receive the amount yet due under option (1) and may at any time receive the commuted value of payments yet to be made, computed upon the same basis as option (2) in the following table, provided that no such commutation will be made under (3), except after the death of the payee occurring within the aforesaid twenty years.

TABLE OF INSTALLMENTS FOR EACH \$1,000.

	(Option 2)		(Option 3)
Number of Annual Installments	Amount of Each Installment	Age of Payee When Policy Becomes Payable	Amount of Each Installment

(Blank lines)

Agents are not authorized to modify this policy or to extend the time for payment of a premium.

In Witness Whereof, the company has caused this policy to be executed this..... day of.....

§ 3. SINGLE PREMIUM POLICIES.] Single premium policies may be issued in any form prescribed in section two, omitting therefrom provisions or portions thereof applicable only to other than single premium policies. Non-participating policies may be issued in any form prescribed in section two if they shall contain a provision that the policy shall be non-participating, and such policies shall omit therefrom clauses for participation in the surplus of the company.

§ 4. TERM INSURANCE.] Policies issued on the standard forms prescribed in section two may provide for not more than one year preliminary term insurance by incorporation therein of the following clause immediately preceding the "change of beneficiary" clause: "The first year's insurance under this policy is term insurance." If the premium charged for term insurance under a limited payment life preliminary term policy providing for the payment of all premiums thereon in less than twenty years from the date of the policy or under an endowment preliminary term policy, exceeds that charged for like insurance under whole life preliminary term policies of the same company, the reserve thereon at the end of any year, including the first, shall not be less than the reserve on the whole life preliminary term policy issued in the same year and at the same age, together with an amount which shall be equivalent to the accumulation of a net level premium sufficient to provide for a pure endowment at the end of the premium-payment period equal to the difference between the value at the end of such period of such a whole

life preliminary term policy and the full reserve at such time of such a limited-payment or endowment policy.

§ 5. PROVISIONS OF LIFE POLICIES.] No policy of life insurance in form other than as provided in section two shall be issued in this state or be issued by a life insurance company organized under the laws of this state unless the same shall contain the following provisions:

1. A provision that all premiums shall be payable in advance either at the home office of the company, or to an agent of the company, upon delivery of a receipt signed by one or more of the officers who shall be named in the policy.

2. A provision for a grace of one month for the payment of every premium after the first, which may be subject to an interest charge during which month the insurance shall continue in force, which provision may contain a stipulation that if the insured shall die during the month of grace the over-due premium will be deducted in any settlement under the policy.

3. A provision that the policy shall constitute the entire contract between the parties and shall be incontestable after two years from its date, except for non-payment of premiums and except for violations of the conditions of the policy relating to naval and military services in time of war.

4. A provision that all statements made by the insured shall, in the absence of fraud be deemed representations and not warranties and that no such statement shall void the policy unless it is contained in a written application and a copy of such application shall be indorsed upon or attached to the policy when issued.

5. A provision that if the age of the insured has been understated the amount payable under the policy shall be such as the premium would have purchased at the correct age.

6. A provision that the policy shall participate in the surplus of the company and that, beginning not later than the end of the third policy year, the company will annually determine and account for the portion of the divisible surplus accruing on the policy, and that the owner of the policy shall have the right each year to have the current dividend arising from such participation paid in cash and if the policy shall provide other dividend options it shall further provide that if the owner of the policy shall not elect any such other options the dividends shall be paid in cash. This provision shall not be required in non-participating policies.

7. A provision that after three full year's premiums have been paid the company at any time while the policy is in force will advance on proper assignment of the policy and on the sole security thereof, at a specified rate of interest, a sum equal to, or at the option of the owner of the policy, less than, the reserve at the end of the current policy year on the policy and on any dividend additions thereto, specifying the mortality table and rate of interest adopted for computing such reserve, less a sum not more than two and one-half per

centum of the amount insured by the policy and of any dividend additions thereto; and that the company will deduct from such loan value any existing indebtedness on the policy and any unpaid balance of the premium for the current policy year, and may collect interest in advance on the loan to the end of the current policy year; which provision may further provide that such loan may be deferred for not exceeding six months after the application thereof is made. It shall be further stipulated in the policy that failure to repay any such advance or to pay interest shall not avoid the policy unless the total indebtedness thereon to the company shall equal or exceed such loan value at the time of such failure nor until one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee, if any. No condition other than as herein provided shall be exacted as a prerequisite to any such advance. This provision shall not be required in term insurances.

8. A provision which, in event of default in premium payments, after premium shall have been paid for three years, shall secure to the owner of the policy a stipulated form of insurance, the net value of which shall be at least equal to the reserve at the date of default on the policy and on any dividend additions thereto, specifying the mortality table and rate of interest adopted for computing such reserves, less a sum of not more than two and one-half per centum of the amount insured by the policy and of any existing dividend additions thereto, and less any existing indebtedness to the company on the policy. Such provision shall stipulate that the policy may be surrendered to the company at its home office within one month from date of default for a specified cash value at least equal to the sum which would otherwise be available for the purchase of insurance as aforesaid and may stipulate that the company may defer payment for not more than six months after the application therefor is made. This provision shall not be required in term insurances of twenty years or less.

9. A table showing in figures the loan values, and the options available under the policies each year upon default in premium payments, during at least the first twenty years of the policy, beginning with the year in which such values and options become available.

10. A provision that if, in event of default in premium payments, the value of the policy shall be applied to the purchase of other insurance, and if such insurance shall be in force and the original policy shall not have been surrendered to the company and canceled, the policy may be reinstated within three years from such default, upon evidence of insurability satisfactory to the company and payment of arrears of premiums with interest.

11. A provision that when a policy shall become a claim by the death of the insured settlement shall be made upon receipt of

due proof of death, or not later than two months after receipt of such proof.

12. A table showing the amounts of installments in which the policy may provide its proceeds may be payable.

13. A title on the face and on the back of the policy correctly describing the same.

Any of the foregoing provisions or portions thereof relating to premiums not applicable to single [premium] policies, shall to that extent not be incorporated therein.

§ 6. PROVISIONS PROHIBITED.] No policy of life insurance in form other than as prescribed in section two shall be issued or delivered in this state or be issued by a life insurance company organized under the laws of this state, if it contain any of the following provisions:

1. A provision for forfeiture of the policy for failure to repay any loan on the policy or to pay interest on such loan while the total indebtedness on the policy is less than the loan value thereof; or any provision for forfeiture for failure to repay any such loan or to pay interest thereon, unless such provision contain a stipulation that no such forfeiture shall occur until at least one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee, if any.

2. A provision limiting the time within which any action at law or inequity may be commenced to less than five years after the cause of action shall accrue.

3. A provision by which the policy shall purport to be issued or to take effect before the original application for the insurance was made, if thereby the assured would rate at an age younger than his age at date when the application was made, according to his age at nearest birthday.

4. A provision for any mode of settlement at maturity of less value than the amount insured on the face of the policy plus dividend additions, if any, less any indebtedness to the company on the policy and less any premium that may by the terms of the policy be deducted.

§ 7. PRELIMINARY TERM POLICIES.] Preliminary term policies not issued on the standard forms shall also be subject to the provisions of section four.

§ 8. FORM FILED WITH INSURANCE COMMISSIONER.] No policy of life insurance shall be issued or delivered in this state, or be issued by a life insurance company organized under the laws of this state, until the form of the same has been filed with the insurance commissioner; and after the insurance commissioner shall have notified any company of his disapproval of any form it shall be unlawful for such company to issue any policy in the form so disapproved. The commissioner's action shall be subject to review by any court of competent jurisdiction.

§ 9. PROVISIONS RESTRICTED.] The policies of a life insurance company, nor organized under the laws of this state, may contain any provision which the law of this state, territory, district or county under which the company is organized, prescribes shall be in such policies when issued in this state, and the policies of a life insurance company organized under the laws of this state may, when issued or delivered in any other state, territory, district or county, contain any provision required by the laws of the state, territory, district or county in which the same are issued, anything in this act to the contrary notwithstanding.

§ 10. WHAT COMPANIES EXEMPT.] This act shall not apply to annuities, industrial policies or to corporations or associations operating on the assessment or fraternal plan.

§ 11. "COMPANY" DEFINED.] Wherever the word "company" is used in this act it shall be held to include corporations and associations.

§ 12. REPEAL.] All laws and parts of laws in conflict herewith are hereby expressly repealed.

Approved March 19, 1907.

CHAPTER 141.

[S. B. No. 177—Simpson]

REPORTS OF LIFE INSURANCE COMPANIES.

AN ACT Relating to the Annual Reports of Life Insurance Companies.

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

§ 1. ANNUAL REPORT, CONTAINS WHAT.] In addition to any other matter which may be required by law or pursuant to law by the commissioner of insurance to be stated therein, every annual report of every life insurance company doing business in this state, shall contain an accurate, concise and complete statement of the following matters, to wit:

1. All the real property held by the company, the dates of acquisition, the names of the vendors, the actual cost, the value at which it is carried on the company's books, the market value, the amounts expended during the year for repairs and improvements, the gross and net income from each parcel, and if any portion thereof be occupied by the company the rental value thereof, a statement of any certificate issued by the commissioner extending the time for the disposition thereof, and all purchases and sales made since the last annual statement, with particulars as to dates, names of vendors and vendees and the consideration.

2. The amount of existing loans upon the security of real property, stating the amount loaned upon property in each state and foreign country.

3. The moneys loaned by the company to any person other than loans upon the security of real property above mentioned and other than loans upon policies the actual borrowers thereof, the maturity and rate of interest of such loans, the securities held therefor, and all substitutions of securities in connection therewith, and the same particulars with reference to any loans made or discharged since the last annual statement.

4. All other property owned by the company or in which it has any interest (including all securities, whether or not recognized by the law as proper investments), the dates of acquisition, from whom acquired, the actual cost, the value at which the property is carried upon the books, the market value, the interest or dividends received thereon during the year; also all purchases and sales of property other than real estate made since the last annual statement with particulars as to dates, names of purchasers and sellers, and the consideration; and also the income received and outlays made in connection with all such property.

5. All commissions paid to any persons in connection with loans or purchases or sales of any property, and a statement of all payments for legal expenses, giving particulars as to dates, amounts and names and addresses of payees.

6. All money expended in connection with any matter pending before any legislative body or any officer or department of government, giving particulars as to dates, amounts, names and addresses of payees, the measure or proceeding in connection with which the payment was made, and the interest of the company therein.

7. The names of officers and directors of the company, the proceedings at the last annual election, giving the names of candidates and the number of votes cast for each, and whether in person, by proxy or by mail.

8. The salary, compensation and emoluments received by officers or directors and where the same amount to more than five thousand dollars, that received by any person, firm or corporation, with particulars as to dates, amounts, payees and the authority by which the payment was made; also all salaries paid to any representative either at the home office, or at any branch office, or agency, for agency supervision.

9. The largest balances carried in each bank or trust company during each month of the year.

10. All death claims resisted or compromised during the year with particulars as to sums insured, sums paid and reasons assigned for resisting or compromising the same in each case.

11. A complete statement of the profits and losses upon the business transacted during the year and the sources of such gains and losses, and a statement showing separately the margins upon

premiums for the first year of insurance and the actual expenses chargeable to the procurement of new business incurred since the last annual statement. A foreign company, issuing both participating and non-participating policies, shall make a separate statement of profits and losses, margins and expenses, as aforesaid, with reference to each of said kinds of business, and also showing the manner in which any general outlays of the company have been apportioned to each of such kinds of business.

12. A statement separately showing the amount of the gains of the company for the year attributable to policies written after December thirty-first, nineteen hundred and . . . and the precise method by which the calculation has been made.

13. The rates of annual dividends declared during the year for all plans of insurance and all durations for ages at entry, twenty-five, thirty-five, forty-five and fifty-five, and the precise method by which such dividends have been calculated.

14. A statement showing the rates of dividends declared upon deferred dividend policies completing their dividend periods for all plans of insurance and the precise methods by which said dividends have been calculated.

15. A statement showing any and all amounts set apart or provisionally ascertained or calculated or held awaiting apportionment upon policies with deferred dividend periods longer than one year for all plans of insurance and all durations and for ages of entry as aforesaid, together with the precise statements of the methods of calculation by which the same have been provisionally or otherwise determined.

16. A statement of any and all reserve or surplus funds held by the company and for what purpose they are claimed respectively to be held.

§ 2. REPEAL.] All laws and parts of laws inconsistent with the provisions of this law are hereby expressly repealed.

Approved March 19, 1907.

CHAPTER 142.

[S. B. No. 61—Rice.]

SURPLUS OF LIFE INSURANCE COMPANIES.

AN ACT to Require an Annual Apportionment and Accounting of Surplus of Life Insurance Companies.

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

§ 1. SURPLUS APPORTIONED ANNUALLY.] Every life insurance company doing business in this state conducted on the mutual plan or in which the policy holders are entitled to share in the profits

or surplus, shall make an annual apportionment and accounting of divisible surplus to each policy holder beginning not later than the end of the third policy year on all participating policies hereafter issued; and each such policy holder shall be entitled to and be credited with or paid, in the manner hereinafter provided, such a portion of the entire divisible surplus as has been contributed thereto by his policy.

§ 2. CONTINGENCY RESERVE.] Any life insurance company doing business in this state may accumulate and maintain in addition to the capital and surplus contributed by its stockholders and in addition to an amount equal to the net values of its policies, computed according to the laws of the jurisdiction under which it is organized, a contingency reserve not exceeding the following respective percentages of said net values, to wit: When said net values are less than one hundred thousand dollars, twenty per centum thereof or the sum of ten thousand dollars, whichever is the greater; when said net values are greater than one hundred thousand dollars, the per centage thereof measuring the contingency reserve shall decrease one-half of one per centum for each one hundred thousand dollars of said net values up to one million dollars; one-half of one per centum for each additional one million dollars up to ten million dollars; one-half of one per centum for each additional two million five hundred thousand dollars up to twenty million dollars; one-half of one per centum for each additional five million dollars up to fifty million dollars; one-half of one per centum for each additional twenty-five million dollars up to seventy-five million dollars; and if said net values equal or exceed the last mentioned amount the contingency reserve shall not exceed five per centum thereof; provided, that as the net values of said policies increase and the maximum percentage measuring the contingency reserve decreases such corporation may maintain the contingency reserve already accumulated hereunder, although for the time being it may exceed the maximum percentage herein prescribed, but may not add to the contingency reserve when the addition will bring it beyond the maximum percentage; provided, further, that for cause shown the commissioner of insurance may at any time from time to time permit any corporation to accumulate and maintain a contingency reserve in excess of the limit above mentioned for a prescribed period, not exceeding one year under any one permission, by filing in his office a decision stating his reasons therefor and causing the same to be published in his next annual report. This section shall not apply to any company doing exclusively a non-participating business.

§ 3. RIGHTS OF POLICY HOLDER.] Every policy holder shall on all participating policies hereafter issued be permitted annually to select the manner and method of the application of the surplus to be annually apportioned to his policy from among those set forth in the policy. All apportioned surplus not actually paid

over to the insured, or applied in the reduction of current or future premiums or in the purchase of paid-up insurance or pure endowment additions, shall be credited to the assured and carried as an actual liability and be paid at the maturity of the policy.

§ 4. AUTOMATIC INSURANCE.] In event of default in payment of any premium due on any policy, provided not less than three full years' premiums shall have been paid, there shall be secured to the insured without action on his part, either paid-up or extended insurance as specified in the policy, the net value of which shall be at least equal to the entire net reserve held by the company on such policy less two and one-half per centum of the amount insured by the policy and dividend additions, if any, and less any outstanding indebtedness to the company on the policy at time of default. There shall be secured to the insured the right to surrender the policy to the company at its home office within one month after date of default for the cash value otherwise available for the purchase of the paid-up or extended insurance as aforesaid.

§ 5. CONTRA AGREEMENT FORBIDDEN.] No agreement between the company and the policy holder or applicant for insurance shall be held to waive any of the provisions of this act.

§ 6. REPEAL.] All laws and parts of laws in conflict with the provisions of this law are hereby expressly repealed.

Approved March 19, 1907.

CHAPTER 143.

[H. B. No. 98—Midgarden]

LIABILITIES OF INSURANCE COMPANIES.

AN ACT to Amend Section 4440 of the Revised Codes of North Dakota of 1905, Relating to Premiums and Liabilities of Insurance Companies.

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

§ 1. AMENDMENT.] Section 4440 of the revised codes of North Dakota for 1905 is amended to read as follows:

§ 4440. PREMIUM. CONTINGENT LIABILITY STATED ON POLICY.] Mutual insurance companies shall charge and collect upon their policies the full mutual premium in cash or notes, and may by their by-laws fix the contingent mutual liability of its members for the payment of losses and expenses not provided for by their cash funds; provided, that such contingent liability of a member shall not be less than a sum equal to, and in addition to the cash premium written in his policy; provided, further, that in case said premium be not so paid in cash or unconditional notes within sixty days from the date of issue, the policy shall become and be absolutely

void and to remain void during the non-payment of such premium, and upon payment of the premium as above provided, such policy shall re-attach; provided, there has been no loss while the policy was void. The total amount of the liability of a policy holder shall be clearly and legibly stated upon the back of each policy.

§ 2. REPEAL.] All laws or parts of laws in conflict with this law are hereby expressly repealed.

Approved March 14, 1907.

CHAPTER 144.

[S. B. No. 183—Swenson]

RETIREMENT OF CAPITAL STOCK.

AN ACT Regulating the Retirement of Capital Stock in Certain Cases.

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

§ 1. TEMPORARY CAPITAL MAY BE RETIRED.] A mutual life insurance company may be organized with, and an existing mutual life insurance company may establish a temporary capital of not less than \$100,000, which shall be invested in the same manner as is provided for the investment of its other funds. Out of the net surplus of the company the holders of the temporary capital stock may receive a dividend of not more than eight per cent per annum, which may be cumulative. Such capital stock shall not be a liability of the company except that it shall be retired as soon as, but not before the surplus of the company remaining after its retirement shall not be less than the temporary capital so established. At the time for the retirement of such capital stock the holders shall be entitled to receive from the company the par value thereof and any dividends thereon due and unpaid, and thereupon the stock shall be surrendered and canceled, and the right to vote thereon shall cease.

§ 2. REPEAL.] All laws and parts of laws inconsistent with the provisions of this law are hereby expressly repealed.

Approved March 8, 1907.

CHAPTER 145.

[S. B. No. 174—Sifton]

NON-PARTICIPATING LIFE POLICIES PROHIBITED.

AN ACT to Prohibit the Issuance of Non-Participating Policies by Certain Life Insurance Companies.

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

§ 1. PROHIBITED.] On and after the first day of January, A. D. 1908, no domestic mutual life insurance company and no domestic stock life insurance company, hereafter issuing or professing to issue any participating policies, shall issue any policies, except annuities, which do not by their terms give to the holders thereof full right to participate in the accumulations of said company, as provided by law. This act shall not apply to paid-up or temporary and pure endowment insurance issued or granted in exchange for lapsed or surrendered policies.

§ 2. REPEAL.] All laws or parts of laws inconsistent with the provisions of this law are hereby expressly repealed.

Approved March 8, 1907.

CHAPTER 146.

[S. B. No. 175—Sifton]

LIFE INSURANCE AGENTS DEFINED.

AN ACT Defining the Status of Persons Soliciting Life Insurance.

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

§ 1. AGENT DEFINED.] Any person who shall solicit an application for insurance upon the life of another shall, in any controversy between the assured or his beneficiary and the company issuing any policy upon such application, be regarded as the agent of the company and not the agent of the assured.

§ 2. REPEAL.] All laws or parts of laws inconsistent with the provisions of this law are hereby expressly repealed.

Approved March 8, 1907.

CHAPTER 147.

[S. B. No. 176—Sifton.]

LIFE INSURANCE MISREPRESENTATION PROHIBITED.

AN ACT to Prohibit Misrepresentations by Life Insurance Companies.

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

§ 1. PROHIBITED.] No life insurance company doing business in this state and no officer, director or agent thereof, shall issue or circulate, or cause or permit to be issued or circulated, any estimate, illustration, circular or statement of any sort misrepresenting the terms of any policy issued by it or the benefits or advantages promised thereby, or the dividends or shares of surplus to be received thereon, or shall use any name or title of any policy or class of policies misrepresenting the true nature thereof.

§ 2. PENALTY.] Any officer, agent, solicitor or any representative of any life insurance company violating the provisions of this act, shall be deemed guilty of a misdemeanor. Any life insurance company found guilty of a violation of the provisions of this act by the commissioner of insurance upon a hearing, after fifteen days' notice, shall be subject to a penalty to be by such commissioner of insurance imposed, of not to exceed \$500, in default of the payment of which he is authorized to revoke the license of such company; and provided, that upon a second conviction upon a similar hearing the commissioner of insurance shall revoke the license of such company to transact business in the state.

§ 3. REPEAL.] All laws and parts of laws inconsistent with the provisions of this law are hereby expressly repealed.

Approved March 8, 1907.

CHAPTER 148.

[S. B. No. 179—Simpson]

LIFE INSURANCE DISCRIMINATION PROHIBITED.

AN ACT to Prohibit Discrimination by Life Insurance Companies and Providing Penalties for Violation Thereof.

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

§ 1. PROHIBITED.] No life insurance company doing business in this state shall make or permit any distinction or discrimination in favor of individuals between insurants (the insured) of the

same class and equal expectation of life in the amount or payment of premiums or rates charged for policies of life or endowment insurance, or in the dividends or other benefits payable thereon, or in any other of the terms or conditions of the contracts it makes, nor shall any such company or agent thereof make any contract of insurance or agreement as to such contract other than as plainly expressed in the policy issued thereon, nor shall any such company or any officer, agent, solicitor or representative thereof, pay, allow or give, or offer to pay, allow or give, directly or indirectly as inducement to insurance, any rebate of premium payable on their policy, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any paid employment or contract for services of any kind or any valuable consideration or inducement whatever not specified in the policy contract of insurance, or give, sell or purchase, or offer to give, sell or purchase as inducement to insurance or connection therewith any stocks, bonds or other securities of any insurance company or other corporation, association or partnership, or any dividends or profits to accrue thereon or anything of value whatsoever not specified in the policy.

§ 2. PENALTY.] Any officer, agent, solicitor or any representative of any life insurance company violating the provisions of this act shall be deemed guilty of a misdemeanor. Any life insurance company found guilty of a violation of the provisions of this act by the commissioner of insurance upon a hearing, after fifteen days' notice, shall be subject to a penalty to be by such commissioner of insurance imposed, of not to exceed \$500, in default of the payment of which he is authorized to revoke the license of such company; and provided, that upon a second conviction upon a similar hearing the commissioner of insurance shall revoke the license of such company to transact business in the state.

§ 3. REPEAL.] All laws and parts of laws inconsistent with the provisions of this law are hereby expressly repealed.

Approved March 8, 1907.

CHAPTER 149.

[S. B. No. 192—Little]

LIFE INSURANCE DISBURSEMENTS.

AN ACT Regulating Disbursements by Life Insurance Companies.

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

§ 1. VOUCHER REQUIRED.] No domestic life insurance company shall make any disbursements of one hundred dollars or more unless the same be evidenced by a voucher signed by or in

behalf of the person, firm or corporation receiving the money and correctly describing the consideration for the payment. If the expenditure be for both services and disbursements the voucher shall set forth the services rendered and an itemized statement of the disbursements made. If the expenditure be in connection with any matter pending before any legislative or public body, or before any department or officer of any state or government, the voucher shall correctly describe, in addition, the nature of the matter and of the interest of such company therein. When such voucher cannot be obtained the expenditure shall be evidenced by an affidavit describing the character and object of the expenditure and stating the reason for not obtaining such voucher.

§ 2. REPEAL.] All laws and parts of laws inconsistent with the provisions of this law are hereby expressly repealed.

Approved March 8, 1907.

CHAPTER 150.

[S. B. No. 42—Spoonheim]

CONSOLIDATION OF INSURANCE COMPANIES.

AN ACT to Regulate the Consolidation and Reinsurance of Domestic Insurance Companies Transacting Business of Life, Accident or Health Insurance.

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

§ 1. CONSOLIDATION FORBIDDEN.] No company organized under the laws of this state to do business of life, accident or health insurance, either on the stock, mutual, stipulated premium, assessment or fraternal plan, shall consolidate with any other company, or reinsure its risks, or any part thereof with any other company, or assume or reinsure the whole of or any portion of the risks of any other company, except as hereinafter provided, but nothing herein contained shall prevent any such company, organized on the stock or mutual plan, from reinsuring a fractional part of any risk.

§ 2. PETITION FOR CONSOLIDATION.] When any such company shall propose to consolidate with any other company, or to enter into any contract of reinsurance, it shall present its petition to the insurance commissioner of this state, setting forth the terms and conditions of such proposed consolidation or reinsurance, and asking for the approval or of any modification thereof, which the commission hereinafter provided for may approve.

§ 3. DUTY OF INSURANCE COMMISSIONER.] The insurance commissioner thereupon shall issue an order of notice requiring notice to be given by mail to each policyholder of such company, of the

pending of such petition, and the time and place at which hearing thereon will be held, and shall publish the said order of notice and said petition in five newspapers for at least two weeks before the time appointed for the hearing upon said petition, and in one daily newspaper published at the capital of the state.

§ 4. COMMISSION.] The governor, or in the event of his inability to act, some competent person resident of the state to be appointed by him, the attorney general and the insurance commissioner of this state, shall constitute a commission to hear and determine upon said petition. At the time and place fixed in said notice or at such time and place as shall be fixed by adjournment, the said commission shall proceed with the hearing and may make or order such examination into the affairs and condition of such company as it may deem proper. The insurance commissioner shall have the power to summon and compel the attendance and testimony of witnesses and production of books and papers before said commission. Any policyholder or stockholder of the company or companies so petitioning may appear before said commission and be heard in reference to said consolidation or reinsurance. Said commission if satisfied that the interests of the policyholders of such company or companies are properly protected, and that no reasonable objection exists thereto, may approve and authorize the proposed consolidation or reinsurance or may modify or change the terms and conditions thereof as may seem best for the interests of the policyholders, and said commission may make such order with reference to the distribution and disposition of the surplus assets of any such company thereafter remaining as shall be just and equitable to the policyholders. Such consolidation or reinsurance shall only be approved by the consent of all the members of such commission, and it shall be the duty of said commission to guard the interests of the policyholders of any such company or companies proposing to consolidate or reinsure.

§ 5. EXPENSES PAID.] All actual expenses and costs incident to proceedings under the provisions of this act shall be paid by the company or companies bringing said petition, and an itemized statement of the expenses and costs shall be filed with the insurance commissioner with a certified copy of the decision of the commission. No officer of any such company or companies, nor members of said commission, or employee of the state, shall receive any compensation, gratuity or otherwise, directly or indirectly, for in any manner aiding, promoting or assisting in such consolidation or reinsurance.

§ 6. PENALTY FOR VIOLATION.] Any officer, director or stockholder of any such company or companies, or any member of such commission or employee of the state, violating or consenting to the violation of the provisions of this act shall be punished by a fine not less than five thousand dollars or imprisonment in the county jail for not less than one year, or both such fine and imprisonment in the discretion of the court.

Approved March 8, 1907.

CHAPTER 151.

[S. B. No. 59—Rice]

ANNUAL APPORTIONMENT OF INSURANCE SURPLUS.

AN ACT to Require an Annual Apportionment and Accounting of Surplus of Life Insurance Companies as to Policies Heretofore Issued.

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

§ 1. SURPLUS APPORTIONED ANNUALLY. NOTICE REQUIRED.] Every life insurance company doing business in this state conducted on the mutual plan or in which policyholders are entitled to share in the profits or surplus shall, on all policies of life insurance heretofore issued, under the conditions of which the distribution of surplus is deferred to a fixed or specified time and contingent upon the policy being in force and the insured living at that time, annually ascertain the amount of surplus to which all such policies as a separate class are entitled, and shall apportion to such policies as a class the amount of surplus so ascertained, and carry the amount of such apportioned surplus, plus the actual interest earnings and accretions of such fund, as a distinct and separate liability to such class of policies on and for which the same was accumulated, and no company or any of its officers shall be permitted to use any part of such apportioned surplus fund for any purpose whatsoever other than for the express purpose for which the same was accumulated. Every company having in force any such deferred dividend policies, shall also at the time of the mailing of the annual premium notice, show the contingent surplus accumulated to the credit of the policy at the beginning of the preceding year, the rate of interest earned on the accumulation, the amount of interest and the amount of saving and profit contingently credited to said policy during the preceding year, with a showing of the total amount of surplus accumulation then contingently credited to the policy, which statement shall be made in accordance with the following form:

“STATEMENT OF ANNUAL APPORTIONMENT OF SURPLUS.

“Policy number.....	Distribution period.....years.	Age at issue.....	Surplus accumulation contingently credited to policy as per last annual statement.....	\$.....	Interest credit: Net rate earned by company.....per cent.....
Savings and profit additional for year.....					
Contingent surplus credit	19....			\$.....	

Secretary.”

§ 2. EXCEPTION.] This act shall not apply to industrial policies.

§ 3. REPEAL.] All laws and parts of laws inconsistent with the provisions of this law are hereby expressly repealed.

Approved March 8, 1907.

CHAPTER 152.

[S. B. No. 52—Simpson]

REGULATING LIFE INSURANCE COMPANIES.

AN ACT Regulating Life Insurance Companies and Prohibiting the Diversion of Funds for Political Purposes.

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

§ 1. UNLAWFUL TO AID POLITICAL PARTIES. PENALTY.] No insurance company or association, including fraternal beneficiary associations, doing business in this state, shall, directly or indirectly, pay or use or offer, consent or agree to pay or use any money or property for or in aid of any political party, committee or organization, or for or in aid of any corporation, joint stock or other associations, organized or maintained for political purposes, or for or in aid of any candidate for political office, or for nomination for such office, or for any political purpose whatsoever, or for the reimbursement or indemnification of any person for money or property so used. Any officer, director, stockholder, attorney or agent of any corporation or association which violates any of the provisions of this act, who participates in, aids, abets, or advises or consents to any such violation, and any person who solicits or knowingly receives any money or property in violation of this act, shall be guilty of a misdemeanor and be punished by imprisonment for not more than one year and a fine of not more than one thousand dollars, and any officer aiding or abetting in any contribution made in violation of this act, shall be liable to the company or association for the amount so contributed. No person shall be excused from attending and testifying or producing any books, papers or other documents before any court or magistrate, upon any investigation, proceeding or trial for a violation of any of the provisions of this act, upon the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him, may tend to incriminate or degrade him; but no person shall be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he may so testify or produce evidence, documentary or otherwise, and no testimony so given or produced shall be used against him upon any criminal investigation or proceeding.

§ 2. REPEAL.] All laws and parts of laws inconsistent with the provisions of this law are hereby expressly repealed.

Approved March 19, 1907.

CHAPTER 153.

[S. B. No. 73—Sharpe]

MUTUAL HAIL INSURANCE.

AN ACT to Amend Section 4449 of the Revised Codes of 1905, Relating to Mutual Insurance Companies Engaged in Hail Insurance.

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

§ 1. AMENDMENT.] Section 4449 of the revised codes of 1905 is amended and re-enacted to read as follows:

§ 4449. MUTAL INSURANCE COMPANIES ENGAGE IN HAIL INSURANCE, WHEN.] No mutual insurance company hereafter organized under the laws of this state or now or hereafter organized under the laws of any state or country, shall engage in the business of hail insurance in this state without first depositing and thereafter keeping on deposit with the treasurer of this state, the sum of twenty-five thousand dollars in money, or in lieu thereof bonds of this state or of the United States, of the par value of twenty-five thousand dollars; provided, that domestic mutual hail insurance companies in lieu of said deposit shall be required to file a bond in the office of the commissioner of insurance in the sum of twenty-five thousand dollars, conditional for the carrying out of its contracts and obligations incurred by its policies; said bond to be satisfactory as to form and surety to the insurance commissioner.

Approved March 14, 1907.

CHAPTER 154.

[S. B. No. 173—Simpson]

REGULATING SALARIES OF OFFICERS OF LIFE INSURANCE COMPANIES.

AN ACT Relating to the Salaries of Officers and Agents of Life Insurance Companies.

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

§ 1. EXPENSES OF OFFICERS, HOW REGULATED.] No domestic life insurance company shall pay any salary, compensation or emolument to any officer, trustee or director thereof, nor any salary, compensation or emolument amounting in any one year to more than five thousand dollars to any one person, firm or corporation unless

such payment be first authorized by a vote of the board of directors of such life insurance company. No such life insurance company shall make any agreement with any of its officers, trustees or salaried employes whereby it agrees that for services rendered or to be rendered he shall receive any salary, compensation or emolument that will extend beyond a period of twelve months from the date of such agreement; and no officer, director or trustee, who is paid a salary for his services of more than one hundred dollars per month, shall receive any other compensation or emolument; provided, that the limitation as to time contained herein shall not be construed as preventing a life insurance company from entering into contracts with its agents for the payment of renewal commissions. No such company shall grant any pension to any officer, director or trustee thereof or to any member of his family after his death.

§ 2. SALARY RESTRICTED.] No life insurance company which pays as a salary or as compensation for services more than fifty thousand dollars per annum to any one person shall be licensed to transact business in this state.

§ 3. REPEAL.] All laws or parts of laws inconsistent with the provisions of this law are hereby expressly repealed.

Approved March 19, 1907.

CHAPTER 155.

[S. B. No. 53—Simpson]

PROVISIONS OF LIFE INSURANCE POLICIES.

AN ACT Relating to the Provisions of Life Insurance Policies.

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

§ 1. POLICY MUST CONTAIN ENTIRE CONTRACT.] Every policy of life insurance issued or delivered within this state on or after the first day of January, nineteen hundred and eight, by any life insurance corporation doing business within the state shall contain the entire contract between the parties.

§ 2. REPEAL.] All laws or parts of laws inconsistent with the provisions of this law are hereby expressly repealed.

Approved March 19, 1907.

CHAPTER 156.

[S. B. No. 171—Little]

INVESTMENT OF FUNDS OF LIFE INSURANCE COMPANIES.

AN ACT to Regulate the Investment of the Funds and the Real Estate Holdings of Life Insurance Companies.

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

§ 1. INVESTMENT OF FUNDS RESTRICTED.] No domestic life insurance company, whether incorporated by special act or under a general law, shall, after the first day of January, 1908, invest in or loan upon any shares of stock of any corporation, other than a municipal corporation; nor, excepting government, state or municipal securities, shall it invest in, or loan upon, any bonds or obligations not secured by adequate collateral security, and when more than one-third of the total value of the collateral security shall consist of shares of stock it shall be deemed inadequate. Every such company possessed of stocks or securities prohibited by this act shall dispose of the same within five years, unless such time is extended by the commissioner of insurance. No investment or loan, except policy loans, shall be made by any such life insurance company unless the same shall first have been authorized by the board of directors or by a committee thereof charged with the duty of supervising such investment or loan. No such company shall subscribe to or participate in any underwriting of the purchase or sale of securities or property, or enter into any transaction for such purchase or sale on account of said company jointly with any other person, firm or corporation; nor shall any such company enter into any agreement to withhold from sale any of its property, but the disposition of its property shall be at all times within the control of its board of directors. Any such company, in addition to other investments allowed by law, may invest any of its funds and accumulations in the bonds of the United States or of this state or of any county, city, town or village or duly organized school district therein, or of any municipality or civil division of any state, and may loan upon improved unincumbered real property in any state fifty per centum of the value of such property, or invest in the mortgage bonds of any dividend paying railway or street railway company duly incorporated and organized under the authority of this state or any other state, and it may also make loans on the security of promissory notes amply secured by pledge of any bonds in which such insurance companies are hereby authorized to invest their funds, and may also make loans upon the security of its own policies, but no loan on any policy shall exceed the reserve value thereof.

§ 2. HOLDING OF REAL PROPERTY LIMITED.] Every such life insurance company may acquire, hold and convey real property only for the following purposes and in the following manner:

First. Such as shall be requisite for the convenient accommodation in the transaction of its business.

Second. Such as shall have been mortgaged to it in good faith by way of security for loans previously contracted or for moneys due.

Third. Such as shall have been conveyed to it in satisfaction of debts previously contracted in the course of its dealings.

Fourth. Such as shall have been purchased at sales on judgments, decrees or mortgages obtained or made for such debts.

All such property specified in subdivisions two, three and four of this section which shall not be necessary for its accommodation in the convenient transaction of its business, shall be sold and disposed of within two years after the company shall have acquired title to the same, or within two years after same shall have ceased to be necessary for the accommodation of its business; and it shall not hold such property for a longer period unless it shall procure a certificate from the commissioner of insurance that its interests will suffer materially by the forced sale thereof, in which event the time for the sale may be extended to such time as the commissioner shall direct in such certificate.

§ 3. REPEAL.] All laws or parts of laws inconsistent with the provisions of this law are hereby expressly repealed.

Approved March 20, 1907.

CHAPTER 157.

[S. B. No. 254—Sifton]

ACCIDENT CORPORATIONS.

AN ACT Regulating the Organization and Operation of Corporations, Associations and Societies to Do and Transact Upon the Assessment Plan the Business of Accident or Sickness, or Accident and Sickness Insurance, and Providing for the Regulation and Control of the Same, and to Regulate and Control Such Corporations, Associations and Societies Organized in Other States, Territories and Countries and Doing Business in This State, Prescribing the Duties of the Insurance Commissioner of the State in Relation Thereto, and Fixing the Penalty for the Violation of its Provisions.

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

§ 1. NUMBER REQUISITE TO ORGANIZATION.] Any number of persons, not less than five, a majority of whom are citizens of this

state, may associate themselves together as a corporation, association or society for the purpose of transacting the business of accident or sickness, or accident and sickness insurance upon the assessment plan.

§ 2. COMPLIANCE REQUIRED.] Every corporation, association or society organized under this act shall, before commencing business, comply with the provisions of this act.

§ 3. ARTICLES, STATE WHAT.] The articles of incorporation of such organizations shall state the name or title by which the corporation, association or society shall be known in law, the location of its principal office (which office must be located in this state) with its plan of doing business clearly and fully defined, the number of its directors, trustees or managers, and shall be submitted to the insurance commissioner and attorney general, and if said articles of incorporation are found to comply with the provisions of this act they shall approve the same. When said articles of incorporation are thus approved they shall be recorded in the office of the recorder of deeds in the county where such organization is located, and of the secretary of state, and a notice published as provided for under the general incorporation laws of the state of North Dakota; provided, that corporations, associations and societies heretofore incorporated and doing business in this state shall not be required to re-incorporate. But any corporation, association or society may become a corporation under this act and avail itself of the provisions herein by filing with the insurance commissioner a certificate signed by the president and secretary of such corporation, association or society, setting forth the facts as to its incorporation, and that it desires to avail itself of the provisions of this act and will be controlled thereby and transact its business thereunder; provided, this act shall not relieve any corporation, association or society now doing business in this state from the fulfillment of any contract heretofore entered into with its members under its policies or certificates of membership, nor shall any member be relieved thereby from his or her part of the contract.

§ 4. NAME FORBIDDEN.] No corporation, association or society organized under this act shall take any name or title in use by any other corporation, association or society, or so closely resembling such name as to deceive the public as to its identity.

§ 5. APPLICATION CONTAINS WHAT.] Each corporation, association or society organized under this act shall, before issuing any policy or certificate of membership, if said corporation, association or society has not membership sufficient to pay the full amount of the certificate or policy on an assessment, cause the application for insurance to have printed in red ink in a conspicuous manner along the margin of said application the words "It is understood and agreed that the amount to be paid, when the certificate or policy issued upon this application becomes a claim, shall be

dependent upon the amount collected for an assessment made to meet such claim," and they must have actual applications upon at least two hundred and fifty persons for accident indemnity, or accident and sick benefits in such corporation, association or society as the case may be, and shall file with the insurance commissioner satisfactory proof that the president, secretary and treasurer of said association or society will faithfully discharge their duties as such officers and fully comply with this act in the organization and carrying on the business of such corporation, association or society. A list of said applications giving the name, age and residence of the applicant, together with the annual dues and the proposed assessments thereon shall be filed with the insurance commissioner, with a sworn statement of such officers and that such parties have deposited with them one advance assessment on the insurance applied for, and a certificate of a solvent bank that such funds are deposited therein to be turned over to the treasurer of the corporation, association or society after certificate of authority is issued by the insurance commissioner as provided herein.

§ 6. AGENT MUST HAVE CERTIFICATE OF AUTHORITY.] No person shall act within this state as agent in receiving or procuring applications for accident insurance or accident and sick benefit insurance for any corporation, association or society organized under this act (except for the purpose of taking applications for organization), unless this corporation, association or society for which he is acting has received a certificate from the insurance commissioner as provided in this act, authorizing said corporation, association or society to transact business in this state, nor as general or traveling agent or solicitor, until he shall have received from the insurance commissioner a certificate in substance the same as that provided for in section 12 of this act.

§ 7. BY-LAWS.] The by-laws of such corporation, association or society shall state the object or objects for which the money to be collected is intended.

§ 8. AGE OF MEMBERS.] No corporation, association or society organized or operating under this act shall issue any certificate of membership or policy of insurance to any person under the age of fifteen years, nor over the age of sixty-five years. Any member of any corporation, association or society holding a policy or certificate of membership, naming a beneficiary, operating under this act shall have the right at any time with the consent of such corporation, association or society to designate a new and different beneficiary without requiring the consent of such beneficiary.

§ 9. ANNUAL REPORT.] The business year of such corporation, association or society organized or operating under this act shall close on the 31st day of December of each year, and such corporation, association or society shall, within sixty days thereafter, prepare under oath of its president and secretary, and file

in the office of the insurance commissioner a detailed statement of its assets, liabilities, receipts from assessments and all other sources, expenditures, salaries of officers, number of contributing members, losses paid for indemnity and benefits, the amount paid on each death loss and answer such other interrogatories as the insurance commissioner (who shall furnish blanks for the purpose) may require, in order to ascertain its true financial condition, and shall pay upon filing each annual statement the sum of ten dollars. The insurance commissioner shall publish said annual statement in detail in his annual report and for the purpose of verifying such statement the insurance commissioner may make, or cause to be made, an examination of the affairs of any corporation, association or society doing business under this act at the expense of the corporation, association or society, which expense shall not exceed the necessary hotel and traveling expenses of the auditor or clerk. If the insurance commissioner appoints some person not employed in his office to make the examination he shall in addition to actual expenses, be allowed not to exceed five dollars per day for the time actually employed. If the said insurance commissioner shall deem it necessary for the security of the funds of the association, he may require the official bonds of the officers to be increased to an amount not to exceed double the sum for which they are accountable, and he may require supplemental reports from any such corporation, association or society at such time and in such form as he may direct.

§ 10. RESERVE FUND.] Any North Dakota corporation, association or society organized and doing business under this act may create and maintain and disburse a reserve or surplus fund, and may invest such funds in interest bearing securities.

§ 11. DUTY OF INSURANCE COMMISSIONER.] When any North Dakota corporation, association or society operating under this act shall fail to make its annual statement to the insurance commissioner on or before the first day of March, or is conducting its business fraudulently and not in compliance with this act, then it shall be the duty of the insurance commissioner to promptly communicate the facts to the attorney general who shall at once commence action in the district court of the county in which said organization is located, or before any judge thereof, citing the officers to appear before said court or judge, and if upon a hearing of said cause it is found to be for the best interests of the holders of certificates of membership or policies in said corporation, association or society, said court or judge shall have the power to remove any officer or officers of said corporation, association or society and appoint others in their place until the next annual election. If it is found to be for the best interest of said certificate or policy holder that the affairs of said corporation, association or society be wound up, said court or judge shall so direct, and for that purpose may appoint a receiver, who shall regard all

proper claims for benefits under said certificates as preferred claims. No action or proceeding shall be instituted with a view of the appointment of a receiver or closing up of the business of any such corporation, association or society by any other person, or in any other manner except as herein provided.

§ 12. COMPANY'S CERTIFICATE OF AUTHORITY.] On compliance with this act by any corporation, association or society the insurance commissioner shall issue a certificate that it has fully complied with the provisions of this act, and is authorized to transact business for a period of one year from April 1st of the year of its issue.

§ 13. VOTING PROXY.] At any regularly constituted meeting of the policy holders or certificate holders of any corporation, association or society doing business under this act, each policy holder or certificate holder shall be entitled to at least one vote, and any such person may in writing authorize any other person entitled to vote at such meeting to vote for him.

§ 14. LIMIT TIME OF SUIT.] Any corporation, association or society organized or operating under this act may limit the time within which suit may be brought against it on any claim based upon its policies or certificates of membership, and after the expiration of the time thus limited shall not be liable thereon; provided, such limitation shall be incorporated in and form a part of the contract between the company, association or society, and the assured or its members; and provided, further, that such limitation shall not be limited to a period of less than one year from the time such right of action accrues.

§ 15. RECIPROCAL PENALTIES.] Whenever the existing or future laws of any other state of the United States, territory or province of any other country, or the rules and regulations of the insurance department of any such state, territory or province shall require of corporations, associations or societies organized and doing business under this act, any payment of taxes, fines, penalties, certificates of authority, licenses, fees, or require any other duties, examinations or acts other than are by the laws of this state required of such mutual corporation, association or society organized under the laws of such other state, territory or province, then the insurance commissioner shall immediately require from every such insurance corporation, association or society of such other state, territory or province transacting or seeking to transact business in this state, the like payment of all licenses, fees, taxes, fines or penalties, and the like doing of all acts which by the laws or the rules of the insurance department of such other state, territory or province, require in excess of the licenses, fees, taxes, statements, fines, penalties, acts, examinations or duties required by the laws of this state of the mutual companies of such other states, transacting business in this state.

§ 16. FOREIGN CORPORATIONS, LICENSED WHEN.] When any corporation, association or society not organized in this state and

doing business of accident or sickness, or accident and sickness insurance shall comply with the requirements of this act applicable to it and shall satisfy the insurance commissioner that it is in a solvent condition and able to meet its obligations at maturity, he shall issue to such foreign corporation, association or society a certificate stating that such corporation, association or society has complied with the laws of this state and authorizing said corporation, association or society to do and transact such business in this state subject to the provisions of this act.

§ 17. REPEAL.] All acts or parts of acts repugnant to or in conflict herewith are hereby repealed.

§ 18. EMERGENCY.] Whereas, an emergency exists, this law shall take effect and be in force from and after its passage and publication according to law.

Approved March 19, 1907.

CHAPTER 158.

[S. B. No. 189—Simpson]

VALUED POLICY ACT.

AN ACT Providing That the Amount of Insurance Written Upon Real Property Shall Be Taken Conclusively to be the True Value Thereof.

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

§ 1. FACE OF POLICY TO BE PAID IN CASE OF LOSS.] Whenever any policy of insurance shall be written to insure any real property in this state against loss by fire and that property insured shall be destroyed without fraud on the part of the insured or his assigns, the stated amount of the insurance written in such policy shall be taken conclusively to be the true value of the property insured.

§ 2. REPEAL.] All acts and parts of acts in conflict with the provisions of this act are hereby repealed.

§ 3. EMERGENCY.] An emergency exists in this, that there is now no law covering above subject, therefore this act shall take effect from and after its passage and approval.

Received by the governor March 8, 1907.

Filed in the office of the secretary of state March 23, 1907.

Became a law without executive approval.