

missioners consisting of three persons, to be styled "Commissioners of Insanity," two of whom shall constitute a quorum. The county judge shall be a member of such board and its chairman. The other two members shall be appointed by the board of county commissioners, one of whom shall be a reputable practicing physician, and the other a reputable practicing attorney; and such appointment shall be made from persons residing as near as may be to the county seat. Such commissioners shall be appointed for the term of two years and until their successors are appointed and qualified. The appointment of successors can be made at any time within three months prior to the expiration of the term of the incumbents. In case of the temporary absence of such commissioners or their inability to act, the county judge shall call to his aid a reputable practicing physician or attorney, who, after qualifying as in other cases, may act in the same capacity. In case of the temporary absence from the county of the county judge or his inability to act, the state's attorney shall act in his place and stead, as chairman of said board, and shall have full authority to issue subpoenas and issue commitments, and do all necessary acts as said chairman. He shall take the same oath as that required of the commissioners in section 1890 of the revised codes of 1905. The records in such cases must show the fact of all absences.

§ 2. EMERGENCY.] An emergency exists in that under the present law there is no one to take the place of the county judge in such cases, therefore this act shall take effect and be in force from and after its passage and approval.

Approved February 26, 1909.

INSURANCE

CHAPTER 144.

[H. B. No. 262—Baker, of Cass]

LIMIT OF INSURANCE RISKS.

AN ACT Repealing Section 4465 of the Revised Codes of 1905 Relating to the Limit of Risks of Fire Insurance Companies in Any One City or Town.

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

§ 1. REPEAL.] Section 4465 of the revised codes of 1905, relating to the limit of risks of fire insurance companies in any one city or town, be and the same is hereby repealed.

Approved March 20, 1909.

CHAPTER 145.

[S. B. No. 274—Duis]

SURPLUS OF LIFE INSURANCE COMPANY.

AN ACT to Amend Chapter 151 of the Laws of 1907, An Act to Require an Annual Apportionment and Accounting of Surplus of Life Insurance Companies as to Policies Heretofore Issued. Said Chapter is Amended to Read as Follows:

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 policy holders 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.

§ 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.

§ 4. EMERGENCY.] Whereas, it is important that the provisions of this act shall take effect as soon as possible, an emergency exists and this act shall take effect from and after its passage and publication.

Approved March 15, 1909.

CHAPTER 146.

[H. B. No. 5—Burns]

COUNTY MUTUAL INSURANCE COMPANIES.

AN ACT to Amend Section 4494 of the Revised Codes of the State of North Dakota, for 1905, Relating to the Time of the Election of Directors of County Mutual Fire Insurance Companies.

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

§ 4494. DIRECTORS, WHEN CHOSEN.] The directors of each company so formed shall be chosen by a vote at the annual election there-

of, which shall be held on the last Thursday in June of each year, and every member shall have one vote, but no person shall vote by proxy at such election; provided, that in any company organized under the provisions of this article, whose policies of insurance shall not run for a longer period than one year, all persons holding policies of insurance therein during the year immediately preceding the annual election, shall be considered as members of said company and shall be entitled to vote at such election.

§ 2. EMERGENCY.] Whereas, an emergency exists, this act shall be in force and effect from and after its passage and approval.

Approved March 16, 1909.

CHAPTER 147.

[H. B. No. 257—Baker, of Cass]

INSURANCE COMPANY'S CAPITAL STOCK.

AN ACT to Amend Section 4429 of the Revised Codes of 1905, Relating to the Capital Stock of Insurance Companies.

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

§ 1. AMENDMENT.] Section 4429 of the revised codes of 1905 is amended to read as follows:

§ 4429. CAPITAL STOCK REQUIRED.] No stock company shall be incorporated under this chapter unless it has a capital stock of at least one hundred thousand dollars, twenty-five per cent of which must be paid in previous to the issuance of any policy and the residue within twelve months from the time of filing the articles of incorporation. No fire, cyclone, tornado, hail, marine, life or accident insurance company of any other state, territory or nation shall do business in this state unless it has a paid up capital stock of at least one hundred thousand dollars in available cash assets, over and above all liabilities for losses reported, expenses, taxes and reinsurance of all outstanding risks.

§ 2. EMERGENCY.] An emergency exists in this, that insurance companies organized under the laws of this state having a capital stock of one hundred thousand dollars cannot, on account of retaliatory laws, enter other states for the transaction of business; therefore, this act shall be in force and in effect on and after its passage and approval.

Approved March 12, 1909.

CHAPTER 148.

[S. B. No. 226—Gunderson]

INSURANCE OF PUBLIC BUILDINGS.

AN ACT to Amend and Re-enact Sections 1287, 1288 and 1289 of the Revised Codes of North Dakota, for the Year 1905, Relating to Insurance of Public Buildings.

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

§ 1. AMENDMENT.] Section 1287 of the revised codes of 1905 for North Dakota is hereby amended and re-enacted to read as follows:

§ 1287. PROPERTY TO BE INSURED. GOVERNOR TO APPROVE COMPANY.] It shall be the duty of the boards of trustees of the respective institutions to cause to be insured in such insurance companies as may be approved by the governor for the benefit of the state the public buildings and contents under their control respectively, for an amount not more than eighty per cent of their value, and for that purpose they are authorized to expend such a sum as may be necessary, and upon presenting vouchers therefor to the state auditor it shall be his duty to draw a warrant upon the state treasurer in payment of the sum so expended.

§ 2. AMENDMENT.] Section 1288 of the revised codes of 1905 for North Dakota is hereby amended and re-enacted to read as follows:

§ 1288. DUTY OF GOVERNOR.] It shall be the duty of the governor to cause to be insured all other public buildings and their contents belonging to the state, for the benefit of the state, at not more than eighty per cent of their value and for that purpose the state auditor shall draw his warrant upon the state treasurer in payment of the premiums for such insurance.

§ 3. AMENDMENT.] Section 1289 of the revised codes of 1905 for North Dakota is hereby amended and re-enacted to read as follows:

§ 1289. IN EVENT OF LOSS.] In the event of a loss occurring under any policy upon any public building or the contents insured under the provisions of the last two sections, the money received from the insurance shall be used and expended by the governor or board of trustees, as the case may be, in the erection or repair of the building upon the site of the one injured or destroyed and replacing the contents, and such building shall be occupied and used for the same purposes as the one damaged or destroyed. Policies issued under the provisions of the two preceding sections shall run in the name of the state and shall be for a term of three or five years.

Approved March 16, 1909.

CHAPTER 149.

[H. B. No. 200—Honey]

TERM INSURANCE.

AN ACT to Amend Section 4, Chapter 140, of the 1907 Session Laws of the State of North Dakota, Relating to Insurance.

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

§ 1. AMENDMENT.] Section 4, of chapter 140, of the 1907 session laws of the state of North Dakota, is hereby amended to read as follows:

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

Approved March 16, 1909.

CHAPTER 150.

[S. B. No. 246—Rice]

DOMESTIC LIFE INSURANCE COMPANIES

AN ACT to Require Domestic Life Insurance Companies to Make a Deposit of Securities With the Insurance Commissioner.

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

§ 1. ANNUAL STATEMENT.] The president or vice president and secretary or actuary or a majority of the directors of each company organized under the laws of this state shall annually, by the first

Monday in February, prepare under oath and file in the office of the commissioner of insurance a statement of its affairs for the year terminating on the thirty-first day of December, preceding, showing:

1. The name of the company and where located.
2. The names of its officers.
3. The amount of capital, if a stock company.
4. The amount of capital paid in, if a stock company.
5. The value of real estate owned by the company.
6. The amount of cash on hand.
7. The amount of cash deposited in banks, giving the name of the bank or banks.
8. The amount of cash in the hands of agents and in the course of transmission.
9. The amount of bonds of the United States, and all other bonds and securities, giving names and amounts, with the par and market value of each kind.
10. The amount of loans secured by first mortgage on real estate and where such real estate is situated.
11. The amount of all other bonds, loans, how secured, and the rate of interest.
12. The amount of premium notes and their value on policies in force, if a mutual company.
13. The amount of notes given for unpaid stock, and their value in detail, if a stock company.
14. The amount of assessments unpaid on stock or premium notes.
15. The amount of interest due and unpaid.
16. The amount of all other securities.
17. The amount of losses due and unpaid.
18. The amount of losses adjusted but not due.
19. The amount of losses unadjusted.
20. The amount of claims for losses resisted.
21. The amount of money borrowed and evidences thereof.
22. The amount of dividends unpaid on stock.
23. The amount of dividends unpaid on policies.
24. The amount required to safely reinsure all outstanding risks.
25. The amount of all other claims against the company.
26. The amount of net cash premiums received.
27. The amount of notes received for premiums.
28. The amount of interest received from all sources.
29. The amount of moneys received from all other sources.
30. The amount paid for losses.
31. The amount of dividends paid to policy holders, and the amount to stockholders, if a stock company.
32. The amount of commissions and salaries paid to agents.
33. The amount paid to officers for salaries and other compensation.

34. The amount paid for taxes.
35. The amount of all other payments and expenditures.
36. The greatest amount insured on any one life.
37. The amount deposited in other states or territories as security for policy holders therein, stating the amount in each state or territory.
38. The amount of premiums received in this state during the year.
39. The amount paid for losses in this state during the year.
40. The whole number of policies issued during the year, with the amount of insurance effected thereby, and total amount of risk.
41. All other items of information necessary to enable the commissioner of insurance to correctly estimate the cash value of policies or to judge of the correctness of the valuation thereof.

§ 2. COMMISSIONER ASCERTAINS VALUE OF POLICIES. SECURITIES TO BE DEPOSITED.] As soon as practicable after the filing of such statement the insurance commissioner shall ascertain the net cash value of every policy in force upon the basis of the American table of mortality and four and one-half per cent interest, or actuaries combined experience table of mortality and four per cent interest, in all companies organized under the laws of this state. The company may make such valuation and make and file the same with such annual statement, and it shall be received by the insurance commissioner upon satisfactory proof of its correctness. The net cash value of all policies in force in any such company being ascertained, the insurance commissioner shall notify it of the amount, and within thirty days thereafter, the officers thereof shall deposit with the insurance commissioner the amount of the ascertained value in the securities specified in chapter 156 of the session laws of 1907; provided, however, that no stock company organized under the laws of this state shall be required to make a deposit of such securities in an amount exceeding one hundred thousand dollars; and when securities in that amount shall have been deposited then such insurance company may, and the insurance commissioner shall accept, in lieu of further deposit, a detailed, verified statement setting forth a list of the items of security held by such insurance company with sufficient particularity; and such securities so specified in such list, although retained by such insurance company, shall be kept separate and distinct from its other securities and shall be held as a deposit for the policy holders of said company under the provisions of this section. The insurance commissioner may at any time make a personal examination of the books, papers, securities and business of any such life insurance company or authorize any other suitable person to make the same, and he or the person so authorized may examine under oath any officer or agent of the company, or others, relative to its business and management. If upon such examination the insurance commissioner is of the

opinion that the company is insolvent, or that its condition is such as to render a further continuance of its business hazardous, then the insurance commissioner may require such insurance company to forthwith deposit in his office all of such securities so listed and specified in said list, and not deposited; provided, however, that nothing therein contained shall be construed as preventing or prohibiting any domestic life insurance company from depositing such securities in an amount to exceed the cash value of its policies.

§ 3. CERTIFICATE OF AUTHORITY.] On receipt of such deposit and statement and such detailed list of securities provided for in the preceding section, all of which shall be renewed annually, by the first Monday in February, the insurance commissioner shall issue a certificate to the effect that such insurance company does business under the compulsory reserve deposit law of the state of North Dakota, and maintains, in accordance with section two of said law, in the office of the insurance commissioner of the state of North Dakota, a deposit of an amount in excess of the net cash value of all outstanding policies in stipulated and highclass securities, deposited for the protection of the policy holders of said company, which certificate shall expire on the thirty-first day of March of the ensuing year. Such certificate shall be renewed annually upon a renewal of the deposit or statement provided for under the preceding sections, and upon compliance with the conditions above required. The insurance commissioner shall receive the sum of five dollars for issuing such certificate; provided, that a copy of such certificate may be attached to any policy of insurance hereafter or heretofore issued by any life insurance company organized under the laws of this state, upon its compliance with the provisions of this act.

§ 4. ON DEFAULT SECURITIES VEST IN POLICY HOLDERS.] The securities of a defaulting or insolvent company or a company against which proceedings are pending for dissolution, on deposit shall vest in the state for the benefit of the policies on which such deposit is made or were made, and the proceeds of the same shall, by order of the court upon final hearing be divided among the holders thereof in the proportion of the last annual valuation of the same, or at any time be applied to the purchase of reinsurance for their benefit.

§ 5. SECURITIES MAY BE EXCHANGED.] Companies shall have the right at any time to change the securities on deposit by substituting a like amount of the character required in the first instance. If the annual valuation of the policies in force shows them to be less than the amount of the security deposited, then the company may withdraw such excess, but twenty-five thousand dollars must always remain on deposit.

§ 6. DIVIDENDS ON SECURITIES PROPERTY OF COMPANY.] Companies having on deposit with the insurance commissioner bonds or other securities may collect the dividends or interest thereon, de-

livering to their authorized agents the coupons or other evidence of interest as the same become due, but if any company fails to deposit additional securities when and as called for by the insurance commissioner, or pending any proceedings to close up or enjoin it, the insurance commissioner shall collect such dividends or interest and add the same to such securities.

§ 7. EXCEPTION TO ACT.] None of the provisions of this act shall apply to fraternal beneficiary associations.

§ 8. EMERGENCY.] Whereas, an emergency exists in this, that there is now no provision of law providing for the deposit of securities by life insurance companies organized under the laws of this state, therefore this act shall take effect and be in force from and after its passage and approval.

Approved March 16, 1909.

INSTRUMENTS LEGALIZED

CHAPTER 151.

[S. B. No. 308—Plain]

LEGALIZING CERTAIN ACKNOWLEDGMENTS.

AN ACT to Legalize the Execution and Acknowledgment of Certain Deeds, Mortgages and Other Instruments in Writing, and the Record Thereof, and Making the Same or Certified Copies Thereof, Admissible in Evidence.

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

§ 1. EXECUTION, ACKNOWLEDGMENT, FILING AND RECORDING LEGALIZED.] The execution, acknowledgment, filing and recording of all deeds, mortgages and other instruments in writing, affecting the title to real property in this state, in good faith made, taken or certified to prior to the first day of January, 1909, and which have been filed or recorded in the proper counties of this state, be and the same are hereby declared to be legal and valid for all purposes, anything in the laws of the territory of Dakota or the state of North Dakota, or of any other state, territory or country at the time of such execution, acknowledgment, witnessing, filing or recording, to the contrary notwithstanding.

§ 2. ACTS OF EXECUTORS, ADMINISTRATORS, DEPUTIES, OFFICERS OR ATTORNEYS IN FACT LEGALIZED.] The acts of all properly appointed and constituted executors, administrators, officers of corporation, deputy public officials and attorneys in fact, done in good faith, in the execution and acknowledgment of such instru-