

of a misdemeanor, and upon conviction thereof, shall be fined in any sum not less than \$200 nor more than \$1,000 and be imprisoned in the county jail not less than 90 days and not more than one year; and for the second and every successive offense shall be deemed guilty of a felony, and be punished by imprisonment in the penitentiary not exceeding two years and not less than one year.

Approved March 9, 1917.

INSURANCE

CHAPTER 137.

[H. B. No. 275—Magneson.]

ACCIDENT AND HEALTH INSURANCE COMPANIES.

An Act Requiring Assessment, Accident and Health Insurance Companies, or Associations, to make deposit with the Commissioner of Insurance.

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

§ 1. DEPOSIT.] Each foreign assessment, accident and health insurance company, or association doing business in this state on the assessment plan shall keep at all times deposited with the commissioner of insurance of this state, one regular assessment sufficient to pay the average loss or losses occurring among its members in this state during the time allowed by it for the collection of assessments and payment of losses. And no such company, or association, shall be licensed by the commissioner of insurance unless it shall keep and maintain with him for the protection of its obligations at least ten thousand dollars (\$10,000.00) in United States or North Dakota bonds, or in the bonds of some county, city or town in North Dakota, or mortgages on improved unincumbered real estate within this state, worth double the sum loaned thereon, and approved by the commissioner of insurance.

Approved March 12, 1917.

CHAPTER 138.

[S. B. No. 135—Allen.]

CO-OPERATIVE AND ASSESSMENT LIFE ASSOCIATIONS.

An Act Permitting Co-operative and Assessment Life Associations to Transact Business Within this State; Permitting Associations Operating on such Plans to Transact Business in this State and Providing a Method for Valuing Their Policies.

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

§ 1. All co-operative or assessment life associations licensed to transact business within this state, and such associations duly licensed and transacting business in other states, shall be admitted to transact business in this state upon compliance with the general laws relating to the licensing and admission of life insurance companies without being required to value their policies in conformity with Section 4923 of the Compiled Laws of the State of North Dakota for the year 1913.

§ 2. All such associations shall accumulate and maintain assets in excess of actual liabilities for death losses sustained and expenses incurred equal to two percent of all insurance such association has in force, and such assets shall consist of cash, money on deposit in banks and such securities as are prescribed by the laws of this state.

§ 3. All such associations shall value their policies in the same manner as yearly renewable term policies are valued, according to the standard of valuation of life insurance policies prescribed by the laws of this state.

§ 4. Each and every co-operative or assessment life association transacting business in this state shall print in bold type and in red ink, near the top of the front page of each policy or certificate issued upon the life or lives of any resident or residents of the State of North Dakota, the words "Issued upon the Assessment Plan."

§ 5. All acts or parts of acts in conflict with the provisions of this act are hereby repealed.

Approved March 9, 1917.

CHAPTER 139.

[H. B. No. 153—Olson.]

DOMESTIC MUTUAL INSURANCE COMPANIES.

An Act to Amend and Re-enact Section 4871 of the Compiled Laws of the State of North Dakota for the Year 1913, Relating to Membership, Notice of Meetings, Articles of Incorporation, Renewal of Term of Corporate Existence and By-Laws of Domestic Mutual Insurance Companies.

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

§ 1. AMENDMENT.] That Section 4871 of the Compiled Laws of the State of North Dakota for the year 1913 is hereby amended and re-enacted so as to read as follows:

§ 4871. INSURED A MEMBER, NOTICE OF MEETINGS, ARTICLES OF INCORPORATION, RENEWAL OF TERM OF CORPORATE EXISTENCE, BY-LAWS.] Every person insured by a domestic mutual insurance company, other than life, shall be a member while his policy or policies are in force, entitled to one vote only, and shall be notified of the time and place of holding its meetings by a written notice or by an imprint on the back of each policy, receipt or certificate of renewal as follows, to-wit:

“The assured is hereby notified that by virtue of this policy he is a member of the mutual insurance company, and that the annual meetings of such company are held at its home office on the.....day of..... in each year at..... o'clock.”

The blanks shall be duly filed and the same shall be deemed a sufficient notice.

Articles of incorporation may be amended, the term of corporate existence extended and by-laws adopted, amended or repealed at any annual meeting or at a special meeting called for that purpose, by a two-thirds vote of the members voting. The provisions of this section shall also apply to county mutual insurance companies.

Approved March 10, 1917.

CHAPTER 140.

[H. B. No. 393—Geiger.]

ORGANIZATION OF INSURANCE CORPORATIONS.

An Act to Amend Section 4836 Revised Codes 1913, Relating to the Purposes for which Insurance Corporations May be Formed in North Dakota:

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

§ 1.] That Section 4836 of the Revised Codes of 1913 be and the same is hereby amended and re-enacted to read as follows:

§ 4836.] Any number of persons, not less than seven, may form a corporation to carry on the business of insurance, either upon the

stock or mutual plan, against loss or damage by fire, lightning, cyclone, tornado, hail or theft, or the risks of inland navigation and transportation, or to make insurance upon the lives of persons and every insurance pertaining thereto, and against accidental injuries including the granting, purchasing and paying of annuities and indemnities and to transact fidelity insurance and corporate suretyship; also including insurance upon automobiles, covering in one policy or in separate policies fire, theft, property damaged, liability and collision insurance. An insurance company incorporated under the provisions of this chapter shall have power to make insurance of any of the kinds hereinbefore mentioned, which shall have been expressed in its articles of incorporation.

§ 2.] All acts and parts of acts so far as they conflict with the provisions of this act are hereby repealed.

Approved March 10, 1917.

CHAPTER 141.

[H. B. No. 154—Magnuson.]

PAYMENT OF DIVIDENDS BY DOMESTIC FIRE INSURANCE COMPANIES FROM SURPLUS PROFITS.

An Act to Amend and Re-enact Section 4844 of the Compiled Laws of North Dakota for the year 1913, Relating to the Payment of Dividends by Domestic Fire Insurance Companies from Surplus Profits.

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

§ 1. AMENDMENT.] That Section 4844 of the Compiled Laws of North Dakota for the year 1913, be and the same is hereby amended and re-enacted so as to read as follows:

§ 4844. DIVIDENDS ONLY FROM SURPLUS PROFITS. PROFITS, HOW ESTIMATED.] No domestic fire insurance company shall make any dividends except from the surplus profits arising from its business; and in estimating such profits there shall be reserved therefrom a sum equal to forty per cent of the amount of premiums on all unexpired risks and policies, which amount so reserved, is hereby declared to be unearned premiums; and there shall also be reserved all sums due the company on bonds, mortgages, stocks and book accounts of which no part of the principal or interest thereon has been paid during the year preceding such estimate of the profits, and upon which suit for foreclosure or collection has been commenced, or which after judgment has been obtained thereon shall have remained more than one year unsatisfied and on which interest shall not have been paid.

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

Approved March 12, 1917.

CHAPTER 142.

[H. B. No. 45—Harris.]

PROHIBITING SALE OR NEGOTIATION OF A PROMISSORY NOTE
TAKEN IN PAYMENT OF A FIRST PREMIUM OF A LIFE,
HEALTH OR ACCIDENT INSURANCE POLICY.

An Act to Prohibit the Sale or Negotiation of a Promissory Note Taken in Payment of a First Premium of a Life, Health or Accident Insurance Policy, until after the Applicant has been Examined or has received a Binding Receipt, and the Examination has been received by the Insuring Company.

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

§ 1. No promissory note taken in settlement of the first premium on any life, health or accident insurance policy, shall be in any manner sold or negotiated prior to the applicant's medical examination, where one is required or unless a binding receipt for such premium signed by an authorized agent of such insurance company has been delivered to the applicant, nor until such application and medical examination has been received by such insurance company.

§ 2. PENALTY.] Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and shall for the first offense be punished by a fine of not less than fifty dollars (\$50.00) or by imprisonment in the County Jail for a period of not less than ten (10) days nor more than thirty (30) days, or by both fine and imprisonment, in the discretion of the Court, and for the second offense shall be punished by fine or imprisonment as provided in the case of the first offense.

Approved, February 20, 1917.

INSANE

CHAPTER 143.

[H. B. No. 244—Liederbach.]

COMMITMENT OF FEEBLE MINDED PERSONS.

An Act to Amend and Re-enact Section 1714 of the Compiled Laws of North Dakota for the year 1913, Relating to the Commitment of Feeble Minded Persons to the Institution for the Feeble Minded.

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

§ 1. AMENDMENT.] That Section 1714 of the Compiled Laws of the State of North Dakota for the year 1913 is hereby repealed and re-enacted so as to read as follows:

§ 1714. All feeble minded persons residents of this state, who,