

INSURANCE

CHAPTER 160

(S. B. No. 156—Sperry.)

BURIAL INSURANCE

An Act requiring corporations or associations writing burial insurance to comply with laws governing legal reserve life insurance companies; requiring payment of policies or certificates in money; providing that beneficiary or legal representative of member of burial society may accept funeral or burial services instead of money; providing for enforcement of act by Commissioner of Insurance; providing penalties for failure to comply with act and repealing inconsistent acts.

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

§ 1. Every corporation or association, including insurance companies and burial associations or societies, whether organized under the laws of this state or any other state, before engaging in the business of writing burial insurance or providing for the payment of burial or funeral expenses or the furnishing of funeral supplies or burial services, shall be required to comply with all the laws of this state governing the organization, qualification and conduct of legal reserve life insurance companies, including the making of annual reports, the maintaining of proper reserves, the deposit of securities with the State Treasurer to secure the payment of its obligations, and any and all other laws applying thereto, except that the amount of cash or securities deposited with the State Treasurer by such corporation or association shall be dependent upon the number of members and the amount of burial insurance which such company or association may carry, but in no event shall such deposit be less than Ten Thousand Dollars (\$10,000.00), and if the maximum amount of all of the policies or certificates outstanding at the end of any year shall exceed Ten Thousand Dollars (\$10,000.00), such deposit shall be increased Two Thousand Dollars (\$2,000.00) for each Five Thousand Dollars (\$5,000.00) of policies or certificates above Ten Thousand Dollars (\$10,000.00).

§ 2. It shall be unlawful for any such company or association, referred to in Section 1 of this act, to make payment or settlement of any policies or certificates written for any such purpose in this state or payable to anyone in this state, in merchandise or services rendered or agreed to be rendered, and any burial benefit or award provided for by such policy or certificate shall be payable in the currency of the United States of America, and no member of any burial insurance association or society or any legal representative or beneficiary of such member shall be obliged to purchase funeral supplies or burial services from any specified or designated person,

firm or corporation so as to deprive such member, legal representative or family from procuring such supplies or services in the open market, provided, however, that nothing in this act shall be construed to prevent such beneficiary, relative or legal representative of a deceased member from electing to accept funeral or burial services from such society in lieu of money.

§ 3. Any person, firm, corporation or association which is now engaged in writing burial insurance of any kind whatever, by contract or by virtue of the provisions of any by-law or regulation of such corporation or association, shall within thirty days after the taking effect of this act comply with the provisions of Section 1 of this act, and upon the failure of any such corporation or association to do so, the Commissioner of Insurance of this state shall be, and he is hereby authorized to cancel the license of such corporation or association to engage in the business of writing burial insurance in this state.

§ 4. Any person, firm, corporation or association which shall hereafter engage in the business of writing burial insurance, or which is now so engaged, and which after the lapse of thirty days from the taking effect of this act, shall fail to comply with the provisions of Section 3 hereof, shall be guilty of a misdemeanor and shall be subject to a fine of not less than Twenty Dollars (\$20.00) and not more than Fifty Dollars (\$50.00) for each and every day that it continues to conduct said business in violation of the provisions of this act.

§ 5. Any corporation or association which shall fail to comply with the provisions of this act, shall be liquidated by the Commissioner of Insurance pursuant to the provisions of law regulating the liquidation of legal reserve life insurance companies, providing that this act shall not apply to mutual, or fraternal benefit societies.

§ 6. EMERGENCY.] This act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

§ 7. All acts and parts of acts in conflict herewith are hereby repealed.

Approved March 11, 1931.

CHAPTER 161
(S. B. No. 154—Fine.)

ADMISSION OF FOREIGN MUTUAL INSURANCE COMPANIES

An Act requiring a surplus of \$45,000 as condition to admission of foreign mutual insurance companies.

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

§ 1. No foreign mutual insurance company shall hereafter be admitted for transaction of business in this state until it shall have accumulated assets in excess of all liabilities in an amount not less than Forty-Five Thousand Dollars, (\$45,000.00).

Approved March 9th, 1931.

CHAPTER 162
(H. B. No. 153—Muus and Swett.)

**INSURANCE PUBLIC BUILDINGS, CLASSIFICATION AND
LIMITATION OF AMOUNT**

An Act to amend and re-enact Sections 189c3 and 189c13 of the Supplement of the 1913 Compiled Laws of North Dakota as amended by Chapter 173, of the Session Laws of 1927, relating to insurance on public buildings, permitting insurance to be written against loss by hail on public buildings, fixing rates of premium to be charged, and providing for the classification of all public property, and limiting the amount of insurance to be carried by the State Fire and Tornado Fund.

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

§ 1. That Section 189c3 of the Supplement to the 1913 Compiled Laws of North Dakota as amended by Chapter 173 of the Session Laws of 1927, be and the same is hereby amended and re-enacted to read as follows:

§ 189c3. INSURANCE PROVIDED. RATE OF PREMIUM.] On or between July 1st and August 1st, 1931, and annually thereafter, the Commissioner shall provide for the insurance in the State Fire and Tornado Fund, and in some reliable Fire and Tornado Insurance Company or Companies doing business in the State of North Dakota, as hereinafter provided, or all state property subject to destruction by fire or tornado, for an amount not to exceed ninety per cent (90%) of the actual value of the property, as such value is determined by the Commissioner and the officer or board having control of such property, and for such purpose the Commissioner of Insurance is hereby designated and constituted the custodian of said property. Upon special written request by the officer or board, the Commissioner of Insurance may provide for insurance against loss by hail, in the same manner and form and on such property as is

insured against loss by fire and tornado, as provided herein. The Commissioner shall first determine the insurable value of each article of property and then fix the rate of premium at 75% of the rates promulgated by the General Inspection Bureau.

§ 2. That Section 189c13 of the Supplement to the 1913 Compiled Laws of North Dakota as amended by Chapter 173 of the Session Laws of 1927, be and the same is hereby amended and re-enacted to read as follows:

§ 189c13. CLASSIFICATION AND LIMITATION OF RISK.] It shall be the duty of the Insurance Commissioner to classify all property reported to him under the provisions of Sections 1, 2, 3, 4, 5 and 6 of this Act, into four distinct classifications as hereinafter set forth, and to provide insurance thereon in the State Fire and Tornado Fund and with some reliable fire and tornado insurance company or companies, authorized for the transaction of such business in this state, in accordance with the limitations shown under each classification.

CLASS I. All of the following described property is hereby designated as Class I, and the entire risk of all insurance carried upon the same shall be by the State Fire and Tornado Fund.

“A” Fire-proof building with fire-proof roof.

“AX” Fire-proof building, with combustible roof.

CLASS II. All of the following described property shall be designated as Class II, and no single risk thereon in an amount greater than One Hundred Thousand Dollars (\$100,000.00) shall be carried by the State Fire and Tornado Fund.

“B” Brick, stone or concrete building, with gravel, slag, metal, slate, tile or composition, or other approved roof.

“BX” Brick, stone or concrete building, with shingle, board or unapproved composition roof.

CLASS III. All of the following described property is hereby designated as Class III, and no single risk thereon in an amount greater than Seventy-five Thousand Dollars (\$75,000.00) shall be carried by the State Fire and Tornado Fund.

“E” Hollow-concrete-block, concrete block or hollow tile building (with or without 4-inch facing), with gravel, slag, metal, slate, tile or approved composition, or other approved roof.

“EX” Hollow-concrete block, concrete block or hollow tile building (with or without 4-inch facing), with shingle, board, or other unapproved composition roof.

CLASS IV. All of the following described property is hereby designated as Class IV, and no single risk thereon in an amount greater than Twenty-five Thousand Dollars (\$25,000.00) shall be carried by the State Fire and Tornado Fund.

"D" Frame building, with gravel, slag, metal, slate, tile or approved composition or other approved roof.

"DX" Frame building, with shingle, board or unapproved composition roof.

"IC" Frame, wood-sheathed, iron-covered building with gravel, slag, metal, slate, tile or approved composition, or other approved roof.

"ICX" Frame, wood-sheathed, iron-covered building, with shingle, board or unapproved composition roof.

"SIC" Skeleton wood frame, without wood sheathing, iron-covered building with gravel, slag, metal, slate, tile or approved composition, or other approved roof.

"BV" Brick, stone, or hollow-block veneered building, with shingle, board or metal slate, tile or approved composition or other approved roof.

"BVX" Brick, stone, or hollow-block veneered building, with shingle, board or unapproved composition roof.

"P" Frame, plaster or stucco covered building, with gravel, slag, metal, slate, tile or approved composition or other approved roof.

"PX" Frame, plaster or stucco covered building, with shingle, board or unapproved composition roof.

"S" Skeleton steel (incombustible) construction with incombustible roof.

"SS" Skeleton steel construction with combustible roof covered with gravel, slag, metal, slate, tile, approved composition or other approved roof covering.

"SSX" Skeleton steel construction with combustible roof covered with shingle board or unapproved roof covering.

Approved March 10, 1931.

CHAPTER 163

(H. B. No. 149—Swett.)

PREMIUM STATE FIRE AND TORNADO INSURANCE

An Act to amend and re-enact Section 189c14 of the Supplement to the 1913 Compiled Laws of the State of North Dakota, relating to collection of premiums, and payments for fire and tornado insurance placed with fire and tornado insurance companies by the Commissioner of Insurance, and providing for deposit or investment of the State Fire and Tornado Fund.

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

§ 1. AMENDMENT.] That Section 189c14 of the Supplement to the 1913 Compiled Laws of the State of North Dakota be and the same is hereby amended and re-enacted to read as follows:

§ 189c14. COLLECTION OF PREMIUM. INVESTMENT BY STATE TREASURER.] The Commissioner of Insurance shall collect from the state or the political subdivision thereof, the entire premium for all the insurance and deposit it in the State Fire and Tornado Fund, as herein provided, and shall draw his warrant upon the State Treasurer against the State Fire and Tornado Fund for the amount of premium due upon that portion of the insurance placed with such reliable fire and tornado insurance company or companies.

The State Treasurer shall deposit the State Fire and Tornado Fund in approved state depositories at the usual rate of interest paid on other funds of the state, subject to check, but whenever there is in such checking account more than \$50,000 the State Treasurer shall deposit same upon time certificates of deposit drawing the same rate of interest as other state funds deposited upon time certificates, or such funds may be invested upon the recommendation of the Commissioner of Insurance in bonds of any state or of the United States. Provided further such funds may be invested in bonds of political subdivisions of the State of North Dakota, but investments in bonds of such political subdivisions shall at no time exceed twenty-five per cent of the amount of the fund and must be bonds of political subdivisions with an assessed valuation in excess of Two Million Dollars (\$2,000,000).

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

Approved March 10, 1931.

CHAPTER 164

(H. B. No. 150—Muus and Swett.)

READJUSTMENT OF STATE INSURANCE PREMIUMS

An Act to amend and re-enact Section 189c9 of the Supplement to the 1913 Compiled Laws of North Dakota, as amended by Chapter 174 of the Session Laws of 1927, relating to readjustment of premiums.

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

§ 1. AMENDMENT.] That Section 189c9 of the Supplement to the 1913 Compiled Laws of North Dakota as amended by Chapter 174 of the Session Laws of 1927, be and the same is hereby amended and re-enacted to read as follows:

§ 189c9. REFUNDS OF PREMIUMS.] If and when the State Fire and Tornado Fund shall exceed the sum of \$2,000,000.00 the amount of surplus in excess of the said sum of \$2,000,000.00 shall be refunded to the State, Departments of State, State Institutions, Agencies of the State, Counties, School Districts, Townships, Cities and Villages in proportion to the total amount of premiums charged, less return premiums and premium adjustments allowed.

The amount of refund allowed to each assured as herein provided shall be based on the total premium charged, less returned premiums and premium adjustments allowed to each assured respectively. Provided that the Commissioner of Insurance shall on January first of each uneven numbered year, or as soon thereafter as possible, determine from the surplus on hand, the amount to be refunded to each assured, and make such refunds in accordance with the foregoing provisions.

Approved March 10, 1931.

CHAPTER 165

(H. B. No. 102—Rulon and Erickson of Kidder.)

BENEFICIARIES FRATERNAL BENEFIT SOCIETIES

An Act amending and re-enacting Section 5063 of the Compiled Laws of the State of North Dakota for the year 1913, relating to the regulation and control of the payment of death benefits by fraternal benefit societies.

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

§ 1. AMENDMENT.] That Section 5063 of the Compiled Laws of the State of North Dakota for the year 1913, is hereby amended and re-enacted to read as follows:

§ 5063. BENEFICIARIES.] The payment of death benefits shall be confined to wife, husband, relative by blood to the fourth degree, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather,

stepmother, stepchildren, children by legal adoption, to a person or persons dependent upon the member, or to a person or persons upon whom the member is dependent, or to the members estate; provided, that if after the issuance of the original certificate the member shall become dependent upon an incorporated charitable institution, he shall have the privilege with the consent of the society to make such institution his beneficiary. Within the above restrictions, each member shall have the right to designate his beneficiary, and from time to time have the same changed in accordance with the laws, rules and regulations of the society, and no beneficiary shall have or obtain any vested interest in the said benefit until the same has become due and payable upon the death of the said member; provided, that any society may, by its laws, limit the scope or beneficiaries within the above classes.

Approved March 18, 1931.

CHAPTER 166

(H. B. No. 104—Rulon and Erickson of Kidder.)

BENEFITS FRATERNAL BENEFIT SOCIETIES

An Act amending and re-enacting Section 5062 of the Compiled Laws of the State of North Dakota for the year 1913, relating to the regulation and control of benefits provided by fraternal benefit societies.

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

§ 1. AMENDMENT.] That Section 5062 of the Compiled Laws of the State of North Dakota for the Year 1913, is hereby amended and re-enacted to read as follows:

§ 5062. BENEFITS.] Sub-section 1. Every society transacting business under this Act shall provide for the payment of death benefits, and may provide for the payment of benefits in case of temporary or permanent physical disability, either as the result of disease, accident, or old age; provided, the period of life at which the payment of benefits or disability on account of old age shall commence, shall not be under seventy years, and may provide for monuments or tombstones to the memory of its deceased members, and for the payment of funeral benefits. Such society shall have the power to give a member, when permanently disabled or on attaining the age of seventy, all, or such portion of the face value of his certificate as the laws of the society may provide; provided, that nothing in this Act contained shall be so construed as to prevent the issuing of benefit for a term of years less than the whole of life, which are payable upon the death or disability of the member occurring within the term for which the benefit certificate may be issued. Such society shall, upon written application of the member, have the power to accept a part of the periodical contributions in cash, and charge the remainder, not exceeding one-half of the periodical contribution,

against the certificate with interest payable or compounded annually at a rate not lower than four per cent per annum; provided, that this privilege shall not be granted except to societies which have readjusted or may hereafter readjust their rates of contributions, and to contracts affected by such readjustment.

Sub-section 2. Any society which shall show by the annual valuation hereafter provided for that it is accumulating and maintaining the reserve not lower than the usual reserve computed by the American Experience Table and four per cent interest, may, in addition to these benefits provided in Sub-section 1 of this section, issue endowment certificates, grant to its members extended and paid up protection, or such withdrawal equities as its constitution and laws may provide; provided, that such grants shall in no case exceed in value the portion of the reserve to the credit of such members to whom they are made.

Approved March 18, 1931.

CHAPTER 167

(H. B. No. 103—Rulon and Erickson of Kidder.)

FAMILY PROTECTION FRATERNAL BENEFIT SOCIETIES

An Act amending and re-enacting Section 5070a of the Compiled Laws of the State of North Dakota for the year 1913, relating to the regulation and control of insurances and annuities upon the lives of children by fraternal benefit societies.

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

§ 1. AMENDMENT.] That Section 5070a of the Supplement of the Compiled Laws of the State of North Dakota for the year 1913, is hereby amended and re-enacted to read as follows:

§ 5070a. FAMILY PROTECTION.] Any fraternal benefit society authorized to do business in the State of North Dakota, and subject to supervision, regulation and examination by the Insurance Commissioner, may provide in its by-laws, in addition to other benefits provided for therein, for insurance and/or annuities upon the lives of children at any age, to be issued upon the application of some adult person as the by-laws of such society may provide.

(a) Any such society may at its option organize and operate branches for such children, and membership in local lodges, and initiation therein shall not be required of such children, nor shall they have any voice in the management of the society.

(b) The contributions to be made upon such certificates shall be based upon the "Standard Industrial Mortality Table Three and One-Half Per Cent" or the "English Life Table Number Six," or such other mortality table as may be approved by the Insurance Commissioner.

(c) Any society issuing such benefit certificates shall maintain on all such certificates the reserve required by the standard of mortality and interest adopted by the society for computing contributions as provided in subdivision (b) hereof.

(d) A society shall have full power to provide for the regulation, government and control of such certificates and all rights, obligations and liabilities incident thereto and connected therewith, not at variance with the provisions of this Act, including the means of enforcing payment of contribution, designation of beneficiaries, and the changing of such designations.

Approved March 18, 1931.

CHAPTER 168

(H. B. No. 200—Flannigan.)

LICENSE EXEMPTIONS OF CERTAIN BENEFIT SOCIETIES

An Act to amend and re-enact Section 5088 of the Compiled Laws of the State of North Dakota for the year 1913, defining exemption of certain societies.

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

§ 1. AMENDMENT.] That Section 5088 of the Compiled Laws of the State of North Dakota for the year 1913 be amended and re-enacted to read as follows:

§ 5088. EXEMPTION OF CERTAIN SOCIETIES.] Nothing contained in this act shall be construed to affect or apply to grand or subordinate lodges of Masons, Odd Fellows or Knights of Pythias, (exclusive of the insurance department of the Supreme Lodge Knights of Pythias) and the Junior order of the United American Mechanics, (exclusive of the beneficiary degree of insurance branch of the National Council Junior Order United American Mechanics, or societies which admit to membership only persons engaged in one or more hazardous occupations in the same or similar lines of business, nor to similar societies which do not issue insurance certificates, nor to an association of local lodges of a society now doing business in this state which provides death benefits not exceeding five hundred dollars to any one person or disability benefits not exceeding the three hundred dollars in any one year to any one person, or both, nor to any contracts of reinsurance business on such plan in this state, nor to domestic societies which limit their membership to the employes of a particular city or town, designated firm, business house or corporation, nor to domestic lodges, orders, or associations of a purely religious, charitable and benevolent description, which do not provide for a death benefit of more than one hundred dollars, or for disability benefits of more than one hundred and fifty dollars to any one person

in any one year. The Commissioner of Insurance may require from any society such information as will enable him to determine whether such society is exempt from the provisions of this act.

Any fraternal benefit society heretofore organized and incorporated and operating within the definition set forth in Sections 5059, 5060 and 5061 of the Compiled Laws of North Dakota for 1913 providing for benefits in case of death or disability resulting solely from accidents, but which does not obligate itself to pay death or sick benefits may be licensed under the provisions of this act, and shall have all the privileges and shall be subject to all the provisions and regulations of this act, except that the provisions of this act requiring medical examinations, valuations of benefit certificates, and that the certificates shall specify the amount of benefits, shall not apply to such society.

Approved March 11, 1931.

CHAPTER 169

(H. B. No. 101—Rulon and Erickson of Kidder.)

QUALIFICATIONS MEMBERSHIP FRATERNAL BENEFIT SOCIETIES

An Act amending and re-enacting Section 5064 of the Compiled Laws of the State of North Dakota for the year 1913, relating to the regulation and control of the qualifications for membership in fraternal benefit societies.

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

§ 1. AMENDMENT.] That Section 5064 of the Compiled Laws of the State of North Dakota for the year 1913, is hereby amended and re-enacted to read as follows:

§ 5064. QUALIFICATIONS FOR MEMBERSHIP. Any society may admit to beneficial membership any person not less than sixteen and not more than sixty years of age, who has been examined by a legally qualified physician, and whose examination has been supervised and approved in accordance with the laws of the society, or, in lieu of a medical examination, persons may be admitted to beneficial membership upon such showing of eligibility as the laws of the society may provide; provided, that any beneficiary member of such society who shall apply for a certificate providing for disability benefits, need not be required to pass an additional medical examination therefor. Nothing herein contained shall prevent such society from accepting general or social members.

Approved March 18, 1931.

CHAPTER 170

(H. B. No. 282—Traynor.)

HAIL INSURANCE, INDEMNITY TAX, ETC.

An Act to amend and re-enact Sections 189b5, 189b7, 189b8, 189b9, 189b10, 189b11, 189b12, 189b13, 189b15, 189b20, 189b21, 189b22, 189b23, 189b25, 189b29, 189b30, of the Supplement to the Compiled Laws of 1913, relating to state hail insurance; providing for the collection of hail-indemnity insurance taxes by sale of lands at tax sale and for the issuance of hail-indemnity tax sale certificate, the expiration of period of redemption; providing for the issuance of hail-indemnity tax deed and declaring an emergency.*

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

§ 1. AMENDMENT.] That Section 189b5 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b5. CROPS INSURED.] The crops insured under this Act shall consist of crops grown on cultivated lands, listed as actually cropped subject to the payment of the taxes specified in this Act. The following crops may be insured: Rye, wheat, speltz, barley, oats, flax, corn, buckwheat, millet, sweet clover, alfalfa and cane. The insurance herein provided shall in no event become effective on winter rye and winter wheat before 12 o'clock noon, Central Standard Time, of June 1st and shall not become effective on any other crops before 12 o'clock noon of June 10th of any year, subject to the provisions of Sections 9, 11 and 24 of this Act. Provided that no indemnity shall be allowed for loss to winter rye and winter wheat which occurs later than 12 o'clock noon, Central Standard Time, of September 1st of each year, and flax and corn shall be considered insured up to 12 o'clock noon, Central Standard Time, September 15th of each year; on all other crops the protection shall cease 12 o'clock noon of September 10th of each year.

§ 2. AMENDMENT.] That Section 189b7 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b7. INDEMNITY TAX.] The Commissioner of Insurance shall, on or before the 15th day of October of each year, ascertain the amount which is required for the total (total) payment of all loss caused by hail to crops insured by the Department and a sum sufficient to pay interest on certificates of indebtedness, or for interest at the rate of 6 per cent per annum on all indemnity warrants from date of registration until called for payment by the State Treasurer if such warrants are not payable in cash when issued, and for any anticipated refunds or abatements of taxes, plus a sufficient sum to maintain and operate the Department for the succeeding year, and for the

*No emergency in act!

purpose of securing and paying of same, there is hereby levied each and every year an indemnity acreage tax sufficient to cover said amounts on all insured lands as specified in this Act, but in no event shall the total of such levy exceed ten per cent of the total risk for the State carried by the Department for such year. The Commissioner of Insurance shall determine the rate of the levy for the indemnity tax or premium and certify the same to the several County Auditors, and in preparing the tax lists for each year the County Auditors of the several counties shall enter in such list opposite the description of each tract, parcel or subdivision of land insured with the State Hail Department, the hail indemnity tax or premium charged against said land, using the basis for computation of such tax the premium rate certified by the Commissioner of Insurance. Provided that when the \$10.00 per acre insurance is carried the indemnity tax shall be as much greater than the tax for \$7.00 per acre protection as ten is greater than seven. Such premium for state hail insurance protection shall be a lien against the whole of said tract, parcel or subdivision of land as provided in Section 5 of this Act. Such tax or premium shall become due and payable at the same time as general taxes, and be delinquent at the same time as the first installment of general taxes, except that said premium shall be paid as a whole, and not in installments.

For the purpose of levying the acreage indemnity tax the state is hereby divided into five districts, the composition of which is to be determined by the Commissioner of Insurance and the Manager of the Hail Insurance Department at the time levy for hail indemnity tax is determined. The basis for districting shall be the actual cost of the protection in each county for the then current year as determined by the amount of indemnity allowed and the acreage insured within each county. District No. 1 shall be comprised of all such counties showing for each year an actual cost of not more than 1% of the risk carried; District No. 2 an actual cost of over 1% but not more than 3%; District No. 3 an actual cost of over 3% but not more than 5%; District No. 4 an actual cost of over 5% but not more than 7%; District No. 5 an actual cost of over 7%. When such levy for hail indemnity tax is made, each of the five districts shall be considered a unit; however, the rate and actual per acre cost of such indemnity tax levied shall be based on the following proportions or ratios between the districts: First District, 3; Second District, 5; Third District, 6; Fourth District, 7; Fifth District, 8. Provided that if the total amount necessary for indemnity tax for any one year equals more than 10 per cent of the risk carried by the Department for such year, in order that losses may be paid in full, the Commissioner of Insurance may use any moneys in the surplus of the Hail Insurance Fund to pay such difference between the moneys actually obtained by the levy for hail indemnity tax and the amount actually needed to pay all such legal indemnities for each year, and the Commissioner of Insurance shall in the following or any succeeding year,

or years, when the indemnity for hail losses as above provided is not in excess of an average of 10 per cent of the risk carried by the Department, include in the levy for hail indemnity tax such sum, or sums, as may be necessary to reimburse the surplus fund for such moneys borrowed from such fund. All moneys collected under the provisions of this section shall be paid into the State Hail Insurance Fund.

§ 3. AMENDMENT.] That Section 189b8 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b8. NOTICE TO COUNTY AUDITORS.] After the Commissioner of Insurance shall have determined the amount of said indemnity acreage tax he shall forthwith notify the County Auditor of each county of such levy, and the County Auditor shall spread such indemnity tax on the tax rolls for the purpose as provided in Section 189b7 of this Act. Such indemnity tax shall be collected by the Treasurer of said County and shall be kept in a separate fund to be known as the State Hail Insurance Fund.

§ 4. AMENDMENT.] That Section 189b9 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b9. DUTY OF ASSESSORS; WRITING THE PROTECTION.] It shall be and is hereby made the duty of each and every assessor in the State, each within his respective district, each and every year at the time of the listing of property for assessment, "to inquire of the person whose property is assessed, or the legal occupant, whether or not he has any crops growing or to be grown during such year, and if he has any such crops, whether or not he desires to have such crops or any part thereof insured against loss by hail under the provisions of this act for the year in which said assessment is made. Such assessor shall at that time explain fully to said person the provisions of this act relative to amount of insurance per acre, the time within which notice of loss must be given, and the time and manner of paying premiums and indemnities. The assessor shall furnish such person an application blank in triplicate for state hail insurance and solicit him to insure his crops under the provisions of this act. If such person desires to insure any or all of his crops the assessor shall then and there take his application, in triplicate, on forms of application furnished by the Commissioner of Insurance. Such application may be taken by the assessor at any time before loss and before the last Monday in June of the year for which said insurance is desired. Provided that if such application is approved by the Hail Insurance Department the insurance shall be effective twenty-four hours after the time of filing of the application in the office of the County Auditor. Immediately after the last Monday in June the assessor shall forward to the County Auditor of his county the balance of his hail insurance listing supplies." All applications shall be

made in triplicate and shall carefully describe each piece of land to be insured, describing particularly the quarter section or subdivision thereof, the number of the section, the township and range with acreage, description of and location of the different kinds of crops to be insured. Each application shall also show the interest of applicant in such crop. Provided, however, that the occupant, if same be a tenant, may make application as owner's agent if he has written authority and files such written authority with his application. The information contained in such application shall be furnished by the applicant and shall be binding on him. Provided, however, that such applicant may amend such application as to kind of crop and location thereof at any time before July 6, and before loss, by notifying the Hail Insurance Department thereof by registered mail.

At the time of taking the application herein provided for, the assessor shall endorse on each copy thereof the date and hour of same and shall forward by mail on such date the triplicate copy to the County Auditor of his county and the original and duplicate copies to the Commissioner of Hail Insurance at Bismarck; all such applications shall be subject to the approval of the Commissioner of Insurance. Immediately upon receipt and checking of such original and duplicate copies in the office of the Hail Insurance Department the Commissioner of Insurance shall, if he approves the same, cause to be stamped and endorsed thereon his receipt and approval of same and shall return the duplicate copy to the applicant which duplicate copy thus endorsed shall constitute the policy of insurance under the provisions of this act and shall entitle the applicant to the protection thereof. The application shall be the basis of computing the premium for hail insurance which shall be charged against the land on which such crops are grown, except as further provided in this act.

The assessor in addition to other compensation allowed him according to law, shall be entitled to compensation for his services at the rate of one cent per each acre on approved applications listed and reported by him in accordance with the provisions of this act. Such compensation shall be paid out of the Hail Insurance Fund on vouchers issued by the Commissioner of Insurance and approved by the State Auditing Board.

If, for any reason, any person having crops growing or to be grown, fails to make application with the assessor for hail insurance, as herein provided, he may at any time before twelve o'clock noon on the first day of August make application for such insurance by filing the same with the County Auditor or directly with the Hail Insurance Department. In case the first day in August falls on Sunday, the applicant may file his application at any time before twelve o'clock noon the following day. Upon taking such application the County Auditor shall retain the triplicate copy in his office and shall

mail the original and duplicate thereof to the Commissioner of Insurance. The provisions of this section which apply to the assessor in taking application, shall also as far as applicable, apply to the County Auditor, except that no compensation shall be allowed to the County Auditor.

§ 5. LIEN OF HAIL INDEMNITY TAXES.] The lien of hail indemnity taxes charged against real estate shall, except as to general taxes and special assessment taxes, have priority over any and every judgment, mortgage or other lien or claim whatsoever placed on record against such real property, except that the lien for hail indemnity taxes for a subsequent year shall have priority, over hail indemnity tax liens formerly charged and spread. Such hail indemnity tax lien shall take effect from and after the date of receipt of application for insurance in the office of the County Auditor.

§ 6. AMENDMENT.] That Section 189b10 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b10. COLLECTION OF TAXES.] (1) The hail indemnity taxes provided for in this act shall be collected by the County Treasurer of the various counties in the state as other taxes are collected, and all sums arising from penalty and interest on account of non-payment of such taxes shall accrue to and become a part of the State Hail Insurance Fund. Provided that premiums for special policies issued shall be collected by the State Hail Insurance Department direct.

It is further provided that it shall be the duty of the County Treasurer of each and every county in the state to remit to the State Treasurer all moneys collected under the provisions of this act each month, on or before the 15th day of the following month, and the State Treasurer shall, upon the first day of each month, report to the Commissioner of Insurance the condition of the State Hail Insurance Fund. Before paying any losses arising under this act, the Commissioner of Insurance shall deduct from such payments, the taxes or premiums due the Hail Insurance Fund under provisions hereof not only for the then current year's protection, but also such as may have accrued and are unpaid from previous years as certified to the State Hail Insurance Department by the various County Auditors. After making such deductions from the indemnities the State Hail Insurance Commissioner shall certify the same to the County Auditors, and the County Auditors and the County Treasurers shall use such deductions so listed as authority for striking part or all of such current or delinquent taxes from the tax rolls.

Hail-indemnity taxes may be paid separately without payment of other general taxes so as to allow owners or croppers to secure state hail insurance protection on crops grown on lands on which taxes are unpaid at the time protection is applied for. When any land is advertised for sale for the non-payment of taxes, the general taxes

and hail-indemnity taxes shall be advertised and sold separately and a separate tax sale certificate shall be issued for that part representing delinquent hail-indemnity taxes which shall be designated as a "Hail-Indemnity Tax Sale Certificate," which certificate shall be substantially in the following form:

CERTIFICATE OF SALE FOR HAIL INDEMNITY TAXES

I.....Auditor for the County of..... in the State of North Dakota do hereby certify that the following described real estate in said County and State to-wit: (describing the same) was on the.....day of.....A. D. 19..... sold by me in the manner provided by law for the delinquent hail indemnity taxes thereon for the year....., amounting todollars, including interest and penalty, and the costs allowed by law to..... for the sum of.....dollars, he being the bidder who agreed to accept the lowest rate of interest from the date of sale on the amount of such taxes, penalties and costs so paid by him, and that the rate of interest which said purchaser agreed to accept was.....per cent per annum.

I further certify that unless redemption is made of said real estate in the manner provided by law the said..... or assignee will be entitled to a deed therefor after the.....day of.....A. D.....on the surrender of this certificate.

In witness whereof I have hereunto set my hand and seal thisday of.....A. D. 19.....

Signature.....
(Seal) County Auditor of.....NorthDakota.

In case there are no bidders, the land shall be struck off to the county and the certificate of sale issued to the county shall conform as nearly as may be to the form above set forth.

§ 7. RIGHTS OF HOLDER OF HAIL TAX CERTIFICATE.] The holder of the hail indemnity tax certificate shall be entitled to a hail indemnity tax deed three years from the date of the tax sale at which the property was sold for such hail indemnity taxes, upon giving the statutory notice of expiration of period of redemption. The form of notice of expiration of period of redemption and the procedure for giving and serving such notice shall conform as nearly as may be to the form and procedure prescribed by law with reference to notice of expiration of redemption from a tax sale certificate. A hail indemnity tax sale certificate shall have the effect of conveying all the rights, interests, privileges and title which would be conveyed by a mortgage deed to the premises described in such certificate. The procedure prescribed by Sections 2223 and 2224 of the Supplement to the Compiled Laws of 1913 and acts amendatory thereof, shall be

followed, as nearly as possible; and in case redemption is not made, such deed shall be issued in the same manner as a tax deed is issued under a tax sale certificate pursuant to a regularly conducted tax sale of real estate, and such hail-indemnity tax deed shall have the same force and effect as a sheriff's deed issued pursuant to the provisions of the statute in case of foreclosure of a real estate mortgage.

§ 8. HAIL INDEMNITY TAX DEED.] At the expiration of the time for redemption of lands sold for delinquent hail-indemnity taxes, and after the filing of the proof of notice of expiration of period of redemption made in substantially the form and manner provided in Sections 2223 and 2224 of the Supplement to the Compiled Laws of 1913 and acts amendatory thereof; and on production of the certificate of purchase, the County Auditor of the county in which the sale of such lands took place, shall execute to the purchaser, his heirs or assigns, in the name of the state, a deed of the land remaining unredeemed, which shall vest in the said purchaser, his heirs or assigns, an absolute estate in fee simple in such land, subject, however, to all the claims which the state may have thereon for taxes or other liens or encumbrances and subject to judgments, mortgages or other liens placed on record prior to the date when such hail-indemnity taxes were entered against such real property, and subject to the lien for hail-indemnity taxes which have accrued since the date when the real estate therein described was sold for the hail-indemnity taxes therein mentioned. Such deed shall be executed by the County Auditor under his hand and the seal of the county, and such deed shall be conclusive evidence of the truth of all of the facts therein recited and shall be prima facie evidence of the regularity of all the proceedings from the date when the hail-indemnity tax therein mentioned were entered and extended against such land. Such deed shall be substantially in the following form:

Whereas.....did on the.....day of.....A. D. 19.... produce to the undersigned..... County Auditor of the County of.....in the State of North Dakota.....a certificate of purchase, in writing, bearing the date of the.....day of..... A. D. 19....., signed by....., who at the last mentioned date was County Auditor of said county, from which it appears that.....did on the.....day of..... A. D. 19....., purchase at public auction at the office of the County Auditor (or the usual place of holding court in the same building), that tract of land in this indenture described, which tract was struck off and sold to.....for the sum of..... dollars, being the total amount of hail-indemnity taxes, penalties and costs charged against said land specified in the lists and in the advertisements, constituting a lien thereon for the year (or years),

19.....to-wit: (Herein insert the description of the land offered for sale) ; and that the said.....who at the time and place of said public auction, did as a part of his bid, did agree to accept the lowest rate of interest on the amount of such hail indemnity taxes, penalties, and costs so paid by him, to-wit: the rate of.....per cent per annum; and it appearing that the said.....is the legal owner of the said certificate of purchase; and the time fixed by law for redeeming the land herein described having now expired, and proof of legal notice of expiration of period of redemption having been filed in the office of the County Auditor prior to the maturity of such certificate as provided by law, and said land not having been redeemed from such purchase pursuant to law, and the said.....having demanded a deed for the tract of land mentioned in said certificate; and it appearing that said lands were legally liable for such hail-indemnity taxes and that said hail-indemnity taxes had been duly entered and extended thereon and properly charged on the hail-indemnity tax book, or duplicate, for the year (or years) A. D. 19..... and that said lands had been legally advertised for said hail-indemnity taxes and were sold on the.....day of.....A. D. 19..... to the said.....

Now, Therefore, This Indenture Made this.....day of..... A. D. 19.....between the State of North Dakota, by..... as County Auditor of the said county, party of the first part; and the said.....party of the second part:

Witnesseth, That the said party of the first part, for and in consideration of the premises and the sum of one (1) dollar in hand paid, has granted, bargained and sold, and by these presents does grant, bargain, sell and convey unto the said party of the second part,his heirs, and assigns, forever, the tract.....of land mentioned in said certificate, and described as follows, to-wit:.....

.....in.....County in the State of North Dakota.

To Have and to Hold Said mentioned tract....., of land, with the appurtenances thereunto belonging, to the said party of the second part, his heirs and assigns forever, in as full and ample manner as the said County Auditor of said county is empowered by law to sell the same.

In Testimony Whereof, The said.....as county auditor of the said County of....., has hereunto set his hand and seal of the said county, on the day and year aforesaid.

.....
 Signature
 (Seal) Conuty Auditor of.....
 Attest Seal North Dakota.

§ 9. AMENDMENT.] That Section 189b11 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b11. CROP AFFIDAVIT. INSURABILITY AND LIENS.] In making application for State Hail Insurance as provided by Section 189b9 of this act, the owner, tenant or cropper, shall furnish the complete information required in the application blank, and he shall be bound by such information. If lands are bought on contract, the contract owner shall be deemed the party responsible for the payment of the hail taxes or premiums and the record of title owner, in such case, shall not in any way determine as to whether or not such insurance should be carried and his rights under such contract shall not be impaired or diminished on account of such hail indemnity insurance. Provided, however, that if such record or title owner so consents, the hail tax lien shall attach to his interest in such land. Where the cropper is a tenant, he shall, in making applications for state hail insurance, secure the owner's consent in writing to such application but such consent may be filed on separate forms or letter to be made a part of the application. It is further provided that every lease, oral or written, on lands subject to hail insurance tax, hereafter made, shall be deemed to include, as a covenant and agreement on the part of the lessee or cropper, an undertaking to pay his share of hail insurance premiums properly chargeable against the land, and the landlord shall have a first lien upon all the crops grown upon the land, belonging to any such tenant or share cropper as security for the payment of said premiums, unless the contrary shall be clearly expressed in writing and made a part of the lease. Every vendee or mortgagee of crops grown on rented land shall be charged with notice of such lien. Such lien may be enforced in the same manner as chattel mortgage and with like effect or the amount thereof may be subjected to other provisions of the contract relative to the division of the crop. The owner shall also have a first lien chargeable against tenant's share of hail indemnity as security for payment of tenant's share of such tax, but, to be effective, notice of such lien must be filed with the Commissioner of Insurance before indemnity for loss is certified to the State Auditor. No regular application for hail insurance as above provided shall be approved by the Commissioner of Insurance where the records of the County Auditor as certified to the Commissioner of Insurance show unpaid hail-indemnity taxes against such premises, except where the then present owner makes proof that he is not responsible for payment of such unpaid hail taxes levied against the lands. Provided, however, that for the year 1931 such applications shall be acceptable where it is shown on the records that not more than one year's hail-indemnity tax is unpaid.

On May 15th of every year the sheriffs of each and every county in the state shall furnish the Hail Insurance Commissioner a list of sheriff's certificates in his county, issued on foreclosure

of mortgages, and on which the period of redemption extends through part or all of the then current cropping year. Provided that listings for insurance on such premises shall in no event be approved by the Commissioner of Insurance. Special policies may, however, be issued for insurance in all cases not insurable on regular listings if proper applications in accordance with provisions of Section 24 of this act be filed with the Hail Insurance Department direct.

§ 10. AMENDMENT.] That Section 189b12 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b12. WITHDRAWAL.] Whenever, before loss by hail and on or before the 6th day of July of any year, there shall be a total or partial failure or loss of any crops herein described, due to any agency other than hail, the insured may cancel his hail insurance for the part of the season remaining subsequent to said 6th day of July by filing notice of cancellation in duplicate with the State Hail Insurance Department at Bismarck, in the manner and form as the Commissioner of Insurance may determine; and in such cases where lands are rented, the signatures of both the owner and tenant must appear on the notice of cancellation, except where either the owner or the tenant, or both, have been insured separately, in which case, only the signature of such owner or of such tenant shall be required on his respective notice of cancellation. Such cancellation shall be effective from 12 o'clock noon, central standard time, on the date executed; however, no application for such cancellation shall be accepted by the Commissioner of Insurance unless received in the office of the Hail Insurance Department before 5 o'clock P. M. on July 9th of any year. Such notice of cancellation shall specify acreage and kind of crop and legal description of the premises upon which such crops were sown; provided, that in no case shall any less than the entire acreage of any one kind of crop on any legal description as described in the application for insurance filed with the Hail Insurance Department for the current year, be cancelled. Provided further, that in the event of such cancellation the earned premium in the cases of the different crops shall be the percentage of the annual premium as follows:

Rye or winter wheat.....	60%
Barley and oats.....	50%
Wheat, speltz, buckwheat, flax.....	40%
Corn and other crops.....	30%

and the same liability shall exist for the payment of such earned premiums as in the case of the annual premium hereinbefore provided; and in the event the insured shall have paid a cash premium, he shall be entitled to a refund of the unearned premium based on the percentage above set forth, with (which) refunds shall be paid on approval of the Commissioner of Insurance out of the State Hail Insurance Fund in the same manner as indemnity for loss.

§ 11. AMENDMENT.] That Section 189b13 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b13. ADDITIONAL DUTIES OF COUNTY OFFICIALS, ABSTRACTS OF RECORDS.] As soon as possible after the hail-indemnity tax rates have been ascertained, the Commissioner of Insurance, through the Hail Insurance Department, shall file with the County Auditor of each county, a complete list of descriptions of lands within such county upon which the State Hail Insurance Department has carried the protection for the then current season, such based on the regular applications for hail insurance on file in his office, the cancellation thereof or changes made therein. The County Auditor shall use such list as the basis for spreading the hail indemnity tax on the records. Provided, it shall be the duty of the County Auditors and County Treasurers to make proper corrections on their records, and to cause deductions of hail taxes to be made from time to time upon receipt of certification from the office of the Hail Insurance Department. It shall be the duty of the County Auditors, upon the filing of application for insurance, to ascertain from his records and the records of the County Treasurers the amount or amounts of unpaid hail taxes due and delinquent on lands covered by such application, and forward a statement of the same immediately to the Commissioner of Insurance. Such delinquent tax notification, as well as other reports in connection with the hail insurance work, shall be made by the various officials on forms prepared by the Commissioner of Insurance and it is hereby provided that it shall be a part of the official duties of any county official to furnish to the State Hail Insurance Department information necessary or convenient in accomplishing the purposes of this act. Provided, that each county shall receive the sum of \$1.00 per each 1000 acres listed for \$7.00 per acre protection for the season, such amount to be paid out of the State Hail Insurance Fund prior to December 31st on vouchers issued by the Commissioner of Insurance approved by the State Auditing Board. The State Hail Insurance Department shall pay annually the sum of \$2,000.00 to the General Fund of the State on account of the extra work entailed upon the State Auditor's and State Treasurer's offices by the State Hail Insurance Department.

§ 12. AMENDMENT.] That Section 189b15 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b15. AMOUNT OF INDEMNITY.] The maximum amount of indemnity for total loss shall be either \$7.00 per acre or \$10.00 per acre, as the application for insurance may specify. Provided, however, that if the original application calls for \$7.00 per acre insurance, the insured may before loss and before July 15th make application to the Hail Insurance Department for an additional \$3.00

per acre protection. Such application shall be made out in duplicate upon forms prepared and furnished by the Commissioner of Insurance and mailed directly to the Department at Bismarck, and if approved by the Commissioner of Insurance, the duplicate of such application shall be returned to the maker and considered his policy of insurance. Such application shall contain the legal description of the land, the kind of crops and the acreage of same on which additional insurance is desired. The location of such crops shall also be given upon a diagram on the application blank, and such application shall contain a statement to the effect that such crops have not been damaged or destroyed by hail. Provided further, that such application shall be signed by the applicant and shall be acknowledged by the assessor or sworn to before someone authorized to administer oaths. If the applicant is a tenant, the signed consent of the person liable for the taxes authorized by this act must appear upon such application, and if the owner makes such application, the written consent of the tenant must appear thereon. If either owner or tenant, in filing such application, acts as agent one for the other, a written authorization shall be attached to the application. Such applications are subject to the approval of the Commissioner of Insurance.

In no event shall such additional insurance become effective before application is on file in the office of the Hail Insurance Department. Provided, that no indemnity shall be allowed to any claimant for a loss of less than 10% and a loss of 85% shall be deemed a total loss. There shall be no claim allowed for any loss or damage to crops except such as is traceable to hail. Provided that no indemnity shall be allowed or paid for damage to any crop after it is cut, nor on any abandoned crop.

§ 13. AMENDMENT.] That Section 189b20 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b20. DIVERSE INTEREST IN CROP.] In case of diverse ownership of interest in any crop upon which indemnities are allowed, proof of the percentage of interest in the award shall be made to the Commissioner of Insurance by affidavit or other showing under such rules and regulations as the Commissioner may provide, and the award shall be disbursed to the owner of the land, tenant or to the different claimants as their interests may appear, or by joint warrants. Provided that interest in indemnity shall follow the direct interest in the crop. If land is bought on crop payment plan under which the title owner is to receive a certain part of the crop each year, indemnity shall be distributed to him in the same proportion as his interest in the crop or joint warrant, if proper showing has been made to the Department during the then current year and before awards have

been certified to the State Auditor for issuance of warrants. Provided that ownership on account of liens and mortgages, garnishment, levy, execution and any other legal process shall not be considered a direct interest.

§ 14. AMENDMENT.] That Section 189b21 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b21. ISSUANCE OF WARRANTS.] The Commissioner of Insurance shall certify to the State Auditor a list of claimants, or their assigns, entitled to indemnity for losses, with names, addresses, and amounts for which warrants are to be issued. Provided that the adjustments approved shall be certified for payment within fifteen (15) days after such adjustments are approved. Prior to such certification the Commissioner of Insurance shall deduct from the indemnity any amount due the State Hail Insurance Fund from the claimant as certified by the county auditor. He shall first deduct the current hail indemnity taxes if ascertained at that time, and then unpaid hail taxes for prior years. If such hail indemnity taxes for the then current year are not determined when payment of indemnity is made, the Commissioner shall deduct from the indemnity a sum by him considered sufficient to cover that year's hail tax, but in no event more than fifteen per cent (15%) of the total risk covered by the policy. Any amount deducted in excess of actual premium and other legal deductions by the Department shall be repaid the claimant within a reasonable time after the hail indemnity tax rate has been determined. Provided that any net indemnity of less than one dollar (\$1.00) shall be paid the claimant direct by postage stamps and a record shall be kept of such payments. Upon receipt of list of persons entitled to hail indemnity, the State Auditor shall draw warrants upon the State Treasurer, payable out of the State Hail Insurance Fund, for such amounts and in favor of such persons or parties entitled thereto; which amounts shall be charged to the State Hail Insurance Fund; such warrants to be mailed by the State Hail Insurance Department to the persons interested, or in case of joint warrant to one of such persons. The warrants become due and payable immediately upon issue and shall draw no interest unless in case of necessity arising for the registry of such warrants for lack of funds, in which event warrants shall draw interest at the rate of six per cent (6%) per annum from date of registration.

§ 15. AMENDMENT.] That Section 189b22 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b22. INDEMNITY EXEMPT FROM GARNISHMENT.] The indemnity provided for herein shall be exempt from garnishment, levy, execution, attachment, and any other legal process whatsoever

(except as provided in Section 189b11 of this act), but may be assigned in such manner and form as the Commissioner of Insurance may determine.

§ 16. AMENDMENT.] That Section 189b23 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b23. HAIL INSURANCE FUND.] All moneys collected under the provisions of the State Hail Insurance Law shall be turned over to the State Treasurer and shall be kept in a separate fund to be designated "State Hail Insurance Fund." Provided, that a sufficient amount shall at all times be retained in the State Hail Insurance Fund to meet the current expenses of the State Hail Insurance Department, as certified by the Commissioner of Insurance, and all the expenses of conducting the Department and the payment of all losses provided for under the provisions of this act shall be paid out of such fund as hereinbefore or hereinafter provided, and all of said moneys so collected are hereby appropriated for the purpose of carrying out the provisions of the hail insurance law.

Whenever the moneys in the State Hail Insurance Fund are insufficient to pay warrants drawn, or about to be drawn, upon such fund in payment of hail losses, the Commissioner of Insurance, with the approval and assistance of the Industrial Commission, may and hereby is vested with authority to negotiate a loan or loans upon the best terms possible. The proceeds of such loan or loans shall be turned over to the State Treasurer and by him placed in the State Hail Insurance Fund and disbursed accordingly. In order to negotiate such loan or loans, the Commissioner of Insurance, with the assistance and approval of the Industrial Commission, may issue warrants, debentures, or certificates of indebtedness in such amounts, and payable at such times as is deemed advisable. Such warrants or certificates of indebtedness shall be drawn upon the State Treasurer and shall be payable out of the State Hail Insurance Fund. All warrants or certificates of indebtedness so issued shall be countersigned by the State Auditor and he shall enter the same upon his records as obligations issued against and payable out of the State Hail Insurance Fund. If bonds are used as security by the Hail Insurance Department when loan is obtained it shall not be mandatory to issue certificates of indebtedness based on anticipated collections of hail taxes. The State Treasurer shall pay all such warrants of certificates of indebtedness or contracted debt out of any moneys in the State Hail Insurance Fund properly applicable thereto. The State Treasurer shall deposit all funds received under the provisions of this act so as to draw the rate of interest most advantageous to the State Hail Insurance Department, and all interest so earned shall accrue to the State Hail Insurance Fund. The State Treasurer shall deposit such moneys in the depository bank designated by law for state

funds except that with the assistance and approval of the Commissioner of Insurance part of such funds may be invested in bonds or certificates of indebtedness issued by the State of North Dakota, and such securities shall have the approval of the Attorney General as to the form and legality thereof.

§ 17. AMENDMENT.] That Section 189b25 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b25. INSURANCE OF HOMESTEAD AND INDIAN LANDS; ISSUANCE OF OTHER SPECIAL POLICIES.] The Hail Insurance Department may insure crops grown upon homestead lands on which patent has not been issued and also on lands within the boundaries of Indian reservations, also on lands not otherwise subject to taxation, or which are not insured in the regular manner according to the provisions of this act. In any case where crops are not covered by an approved application in accordance with provisions of Sections 189b9 and 189b11 of this act, any party having a direct interest in such crops may apply for insurance on his proportionate share of such crops according to the provisions of this section. The applications covering such special insurance, shall be made upon blanks furnished by the Commissioner of Insurance under such rules and regulations as he may direct, and shall be accomplished (accompanied) by a certified check or draft in payment of the premium at the rate of seventy cents per acre for \$7.00 protection, or the proportionate part thereof, according to the interest the insured has in the crop. Provided, however, the Commissioner of Insurance shall, when crops are insured under the provisions of this section, refund after the actual per acre levy has been ascertained, such amounts to such applicants as will make the cost per acre the same for crops insured under the provisions of this section as the cost per acre within the same county to those who carry the insurance in the regular manner, and premium for which is determined in accordance with Section 189b7 of this act, and the Commissioner of Insurance shall certify to the State Auditor a list of names to whom such refunds are due and the amounts of same, and thereupon the State Auditor shall issue warrants on the State Treasurer for payment of same out of the State Hail Insurance Fund. Such warrants shall be mailed by the Hail Insurance Department to the parties who, according to the records, are entitled thereto.

§ 18. AMENDMENT.] That Section 189b29 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b29. ABATEMENT OF HAIL INSURANCE TAX AND CORRECTION OF RECORDS.] The Commissioner of Insurance may make proper correction of the hail insurance tax records on applications submitted to him in the manner and form he shall determine. In cases

of erroneous listings of lands for hail insurance purposes, before the Commissioner may approve the correction, proofs satisfactory to him shall first be submitted. Provided, that such applications, in order to be considered, must be filed before the levy for hail indemnity tax be determined for that year, and before adjustment of loss, if any, for such year is made. Provided, further, that in all such cases where holders of superior liens have on proper showing paid general taxes without the inclusion of the hail indemnity tax, and where such taxes still remain of record, when three (3) years have elapsed after passing of title on foreclosure of such superior liens without the premises reverting to the original owner, such hail indemnity taxes shall be cancelled from the records of the counties and the Hail Insurance Department. Provided, further, that as far as pertains to hail taxes for any year prior to 1931, the county commissioners, with the approval of the Commissioner of Insurance, may in case of error abate any hail insurance tax wrongfully levied and refund any tax wrongfully collected under the provisions of this act upon presentation to them of a written application.

§ 19. AMENDMENT.] That Section 189b30 of the Supplement to the Compiled Laws of 1913 be amended and re-enacted to read as follows:

§ 189b30. LIMITING TIME OF ACTION.] The Commissioner of Insurance is hereby vested with discretionary powers to extend for a reasonable period the time for reporting hail loss to the Department upon proper showing being made, but in no event shall adjustment be made on loss notices received in the office of the Hail Insurance Department after the 25th day of September of the year in which the loss occurred. Provided, that no action upon any claim for loss by hail shall be brought after one year from the time the loss occurred and no action for a refund of hail taxes shall be brought after three (3) years from the 31st day of December of the year for which such tax was levied. Provided, further, that any warrant in payment of hail indemnity that is unpaid on the books of the Hail Insurance Department and State Auditor six (6) years after date of issue shall be cancelled. Provided, that thirty (30) days before such cancellation, the Commissioner of Insurance shall cause to be published at least once in the official paper of the county in which the damaged crops were located, a list of such warrants that are to be cancelled. Upon cancellation of such warrants, proper credits shall be shown on the records of the Hail Insurance Department. Provided that the Hail Insurance Commissioner shall not be required to keep on file records more than six years old, except that in such cases where according to the records of the Hail Insurance Department and the State Auditor warrants in payment of indemnity have not been presented for payment, the adjustment shall be kept in the files of the department indefinitely.

§ 20. CONFLICTING PROVISIONS REPEALED, INCLUDING CERTAIN PROVISIONS NOT AFFECTING WHOLE OF ACT.] If any provisions of this act shall be held invalid, the other provisions therein shall not be affected, and the law now in force relating to the same subject shall continue in full force and effect. Provided that any act or parts of acts in conflict with any of the provisions of this act are hereby expressly repealed.

Approved March 9, 1931.

CHAPTER 171

(H. B. No. 87—Lamb.)

HAIL TAX REFUND

An Act to amend and re-enact Chapter 172 of the Session Laws of North Dakota for the year 1927 as amended by Chapter 147 of the Session Laws of North Dakota for the year 1929; providing for a refund to hail tax purchasers and persons paying hail taxes for which they were not liable; designating the funds from which payment shall be made; and declaring the duty of the Insurance Commissioner in relation thereto.

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

§ 1. AMENDMENT.] Chapter 172 of the Session Laws of North Dakota for the year 1927 as amended by Chapter 147 of the Session Laws of North Dakota for the year 1929, is hereby amended and re-enacted to read as follows:

§ 1. Whenever any lands have been sold for hail taxes to purchasers other than the counties, and it develops that they were subject to a paramount lien and such lien is foreclosed and the purchaser's rights under his tax certificate cut out, such purchaser, or his assigns, shall be refunded the amount of the sale, with interest at the rate of five per cent per annum, by the Hail Insurance Department as hereinafter provided.

§ 2. The holder of the certificate must make application for the refund to the Commissioner of Insurance, tendering his certificate and an assignment thereof to the Hail Insurance Department and making proof satisfactory to the Commissioner of Insurance that the title to the land has been lost under a paramount lien and that he has not been compensated in any way for the money paid for the certificate. Upon being so satisfied, the Commissioner of Insurance shall refund to the holder such amount, with interest. Upon making any such refund the Commissioner shall take an assignment of the certificate in trust for the benefit of the Hail Insurance Department, and in case the tax debtor ever becomes the owner of the land affected the tax represented by such certificate shall again attach as a lien upon his interest.

§ 3. Any holder of a lien paramount to the hail indemnity tax lien who, prior to July 1st, 1926, has paid under compulsion hail indemnity taxes in connection with the payment of general taxes against the land covered by his lien, which hail indemnity taxes have been paid over by the County Auditor or Treasurer to the State Treasurer to the credit of the Hail Insurance Department, or to the tax sale certificate holder, as the case may be, shall be entitled to have refunded to him from the Hail Insurance Department the amount paid by him on account of such hail indemnity taxes, upon filing application and proof as hereinafter provided, but no interest shall be considered to have accrued thereon from the time of such payment by said lien holder; provided that anyone who has paid hail indemnity taxes under compulsion for and on behalf of the paramount lien holder shall be considered the agent of such lien holder.

§ 4. Such paramount lien holder mentioned in the last preceding section must make application for refund to the Commissioner of Insurance, tendering his tax receipt containing a notation thereon by the County Auditor showing amount of such hail indemnity tax, penalty and interest paid by him, and an assignment thereof to the Hail Insurance Department, and make satisfactory proof to the Commissioner of Insurance that at the time he or his agent paid the said taxes the hail indemnity tax, penalty and interest thereon noted by said County Auditor did not constitute a valid lien paramount to lien held by him. Upon being satisfied of such facts the Commissioner of Insurance shall refund to said lien holder the amount of said hail taxes, penalty and interest paid by him, and shall also issue him a certificate showing the amount of general taxes, penalty and interest which remains as an additional lien to the credit of said taxpayer's mortgage. Upon making such payment and certificate the Commissioner shall take an assignment of the tax receipt in trust for the benefit of the Hail Insurance Department so far as it relates to said indemnity hail tax, and in case the title of the land affected passes and again reverts to the original mortgagor the hail indemnity taxes shall again attach as a lien upon his interest.

§ 5. Such refunds to certificate holders and to holders of paramount liens who paid hail indemnity taxes for which they were not liable shall be made from the following funds, to-wit: A reserve fund that has been set aside or otherwise created or treated as existing in the Hail Insurance Department as a fund to meet anticipated refunds, or abatements of the indemnity hail taxes, and the fund created by interest collected on all interest bearing funds, of the State Hail Insurance Department for the year 1927, and successive years. These funds shall be resorted to in order stated to whatever extent may be necessary to make all such refunds.

§ 6. No claim for a refund by a tax certificate holder shall be allowed unless presented within one year after the lien of such tax certificate has been lost except where holders of sheriff's deeds did not redeem the taxes within one year after such deed was due to issue in which case the tax certificate holder shall be allowed 60 days after such tax redemption to apply for refund. Provided, however, that in cases where such loss has occurred prior to July 1st, 1931, the claim may be presented at any time up to January 1st, 1932. No claim for a refund of taxes paid by mortgagee who was holder of paramount lien as provided for in Section 4 of this act shall be allowed unless made before January 1st, 1932. Provided further that where general taxes have been redeemed prior to the expiration of six years from the tax sale by a lien holder and the tax sale certificate holder continued or continues to hold the same for the "hail-indemnity tax" without having applied for deed thereon, even though more than six years have elapsed, since the sale upon which said certificate was issued, the provisions of Section 2 hereof shall apply and same shall be refunded.

§ 7. At each succeeding session of the legislature the Commissioner of Insurance shall make a report to the legislature of the refunds made under the provisions of this act, together with the fullest practical statement of probable outstanding claims, together with an estimate of the amounts that will be required in succeeding years to meet the requirements of this act.

§ 8. Whereas some question of constitutionality may become involved as to the right to resort to some of the funds herein mentioned for the purpose to which it is sought to apply them, it is especially declared that the resort to any particular fund is not the inducement for the resort to any other fund mentioned, and that if any such part of this act shall be held to be unconstitutional it is the purpose and intent that all other parts shall nevertheless be valid and enforceable.

Approved March 9, 1931.

CHAPTER 172

(S. B. No. 31—Magnuson.)

PREMIUM, LIABILITY, ETC., MUTUAL INSURANCE COMPANY
An Act to amend and re-enact Section 4874, Compiled Laws of 1913, as amended by Chapter 150, Session Laws of 1929, relating to Domestic Mutual Insurance Companies.

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

§ 1. AMENDMENT.] That Section 4874, compiled laws of 1913 as amended by Chapter 150 Session Laws for 1929 be, and the same is, hereby amended and re-enacted to read as follows:

§ 4874. PREMIUM, CONTINGENT LIABILITY STATED ON POLICY.] Mutual insurance companies other than life 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. Provided, however, in case such mutual insurance company has issued a policy and attached thereto a mortgage clause making loss, if any, payable to the mortgagee to the extent of his interest and not exceeding the amount of the policy, such company shall be liable on the policy to such mortgagee until the secretary of the company notify the mortgagee in writing that premium and contingent mutual liabilities have not been paid and the mortgagee is given twenty days after the date of such notice in which to pay such premium and liabilities, in default of such payment the liability of the company to the mortgagee shall cease. The total amount of the liability of a policy holder shall be clearly and legibly stated upon the back of each policy.

§ 2. EMERGENCY.] This act is hereby declared an emergency measure, and shall be in full force and effect from and after its passage and approval.

Approved March 2, 1931.

CHAPTER 173

(S. B. No. 57—Magnuson and Lynch.)

REINSURANCE BY COUNTY OR DISTRICT MUTUAL INSURANCE COMPANIES

An Act authorizing county or district mutual insurance companies to reinsure its risks.

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

§ 1. Any County or District Mutual Insurance Company organized or admitted to transact insurance in this State may reinsure any part or all of any risk or risks in any insurance company or insurer licensed in any state of the United States or in the District of Columbia, or any such County or District Mutual Insurance Companies may reinsure with each other; provided that no such

reinsurance shall be effected with any company or insurer disapproved therefor by written order of the Commissioner filed in his office.

§ 2. REPEAL.] All acts and parts of acts in conflict herewith are hereby repealed.

§ 3. EMERGENCY.] An emergency is declared to exist and this act shall take effect and be in force from and after its passage and approval.

Approved March 9, 1931.

INTOXICATING BEVERAGES

CHAPTER 174

(H. B. No. 47—Halcrow and Twichell.)

PROHIBITING INTOXICATING BEVERAGES

An Act to amend and re-enact Section 10145b4, of the 1925 Supplement to the Compiled Laws of 1913, prohibiting intoxicating beverages.

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

§ 1. AMENDMENT.] That Section 10145b4 of the 1925 Supplement to the 1913 Compiled Laws of North Dakota, be amended and re-enacted to read as follows:

§ 10145b4. PROHIBITING INTOXICATING BEVERAGES.] No person shall within the State manufacture, sell, barter, transport, import, export, deliver, furnish or possess any intoxicating liquor, except as provided by this chapter. All provisions of this chapter shall be liberally construed to the end that the use of intoxicating liquor as a beverage may be prevented. Provided that pure grain or ethyl alcohol for non-beverage purposes for use in hospitals, laboratories, medical clinics, and for manufacturing and industrial purposes, may be purchased, transported, possessed and used within the State of North Dakota, in good faith only, by any person holding a Federal permit for the purchase, transportation, possession and use thereof, in such amounts, in such manner and for such purposes, as are permitted under Federal regulations applicable thereto; and that wine for sacramental purposes, may in good faith only, be purchased, transported, possessed and used as by law provided. It is further provided, that denatured alcohol or denatured rum; medical preparations that are unfit for beverage purposes; patented, patent and proprietary medicines that are unfit for beverage purposes; toilet, medical and anti-septic preparations and solutions that are unfit for beverage purposes; vinegar; flavoring extracts and syrups that are unfit for use as a beverage, or for intoxicating beverage purposes; together with those United States Pharmacopeia and National Formulary and