

of progress made and monies expended under this act to the 29th Legislative Assembly of the State of North Dakota.

§ 5. 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.

Approved March 27, 1944.

INSURANCE

CHAPTER 28

S. B. No. 13—(Page, Lofthus, Wog, Brant, Bridston and Lavik)

FIRE AND TORNADO FUND LAW AMENDMENT

An Act to amend and re-enact Sections 1, 13, and 19 of Chapter 159 of the Laws of 1943 (being Sections 26-2401, 26-2413 and 26-2419 of the Revised Code for 1943), defining the words "Commissioner", "Fund", "Political Subdivision", and "Permanent Contents" as used in the State Fire and Tornado Fund Law; providing for the assessments to be made for such Fund.

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

§ 1. AMENDMENT.] That Section 1 of Chapter 159 of the Laws of 1943, being Section 26-2401 of the Revised Code for 1943, be and the same is hereby amended and re-enacted to read as follows:

§ 1. DEFINITIONS.] In this Act unless the context or subject matter otherwise requires:

- (1) Commissioner shall mean the Commissioner of Insurance;
- (2) Fund, shall mean the State Fire and Tornado Fund;
- (3) Political Subdivision, shall include a County, City, Township, Village, School District or Park District of this State;
- (4) Permanent Contents, shall refer only to such public property usually kept or used in or about public buildings insured in the Fund, and to all public personal property usually kept or used in or about all buildings used for public purposes, or within 100 feet of all such buildings, or while on sidewalks, streets, alleys, yards, detached platforms and in or on railway cars. Permanent Contents, as used in this Act, shall not, however, include automobiles, trucks, tractors, road machinery or similar property used principally outside of such buildings.

§ 2. AMENDMENT.] That Section 13 of Chapter 159 of the Laws of 1943, being Section 26-2413 of Revised Code for 1943, be and the same is hereby amended and re-enacted to read as follows:

§ 13. ASSESSMENT.] Between the first day of July and the first day of August, 1945, and each odd numbered year thereafter, if the reserve fund shall have been depleted below the sum of Two Million Dollars, the Commissioner shall determine the amount of money which may be necessary as of the first day of July in such year, to bring the said reserve fund up to the sum of Two Million Dollars and he, thereupon shall levy an assessment against each and every policy on all public property except as hereinafter provided, in proportion to the length of time such policy shall have been in force during the preceding two year period. Said assessment shall be computed as follows:

The 80% or 90% co-insurance rate established by the Fire Underwriters Inspection Bureau for each insured property to which said 80% or 90% co-insurance rate may be applicable, and the full rate established for properties to which the said co-insurance rate is not applicable under the rules of the said Fire Underwriters Inspection Bureau, shall be applied to the amount of insurance provided in each policy and the result of the application of said rate to the amount of insurance shall set the tentative assessment to be made against such policy. The total of all of such tentative assessments shall then be ascertained. The percentage of such assessment necessary to restore the reserve fund to the sum of Two Million Dollars shall then be computed and collected on each policy, but in no case shall any assessment be greater than 50% of the rate established by the Fire Underwriters Inspection Bureau for such risk. In case of a fractional percentage the next higher whole per cent shall be used in such computation.

§ 3. AMENDMENT.] That Section 19 of Chapter 159 of the Laws of 1943, being Section 26-2419 of the Revised Code for 1943, be and the same is hereby amended and re-enacted to read as follows:

“REPAIR OR REPLACEMENT OF DESTROYED BUILDINGS.” In the event that the Commissioner and the insured shall agree that the Fund shall repair or replace the building destroyed or damaged, no such repairs, rebuilding or replacement shall be undertaken by the Commissioner or any employees of his department but if they are deemed necessary or proper in any case, they shall be performed by independent contractors. In no event shall the cost of such repairs, rebuilding or replacements exceed the amount of the insurance carried upon the particular risk.

Approved April 3, 1944.

CHAPTER 29
S. B. No. 16—(Page)

INTERIM LEGISLATIVE COMMITTEE

An Act to establish an Interim Legislative Committee to investigate charges made against the Department of Insurance, to fix the duties of such Committee and provide the procedure for such Committee, to compel the attendance of witnesses and the production of records before the Committee and/or its representatives, and fix penalties for refusal, and making an appropriation for the use of said Committee.

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

§ 1. A Joint Legislative Committee, consisting of three members from the Senate and four members from the House of Representatives selected by each House, respectively, and known as the Interim Investigating Committee, having been established by concurrent resolution of the House and Senate at the 1944 Special Session of the Legislature for the purpose of investigating the funds, agencies and departments under the supervision of the Insurance Commissioner, it is the purpose of this Act to give legal status beyond that created by the Concurrent Resolution to the Acts of such Committee and its representatives, and provide legal penalties in addition to the general remedies for contempt of the legislature, and to provide an appropriation for the payment of the expense of such Committee.

§ 2. The members of the Senate and House of Representatives appointed to such Interim Investigating Committee at the 1944 Special Session of the Legislature by virtue of said Concurrent Resolution, shall constitute the Committee referred to in this Act.

§ 3. It shall be the duty of such Committee to make a thorough investigation, within and without the State of North Dakota, concerning the operation of the several departments, agencies, and funds which are under the jurisdiction of the Commissioner of Insurance. Said Committee shall report to the Regular Session of the Legislature its finding as to whether or not the Insurance Commissioner and the employees, agencies, departments and funds within the Insurance Department, or any of them, have failed or refused to comply with legislation and resolutions passed by the Regular Session of 1943 or the Special Session of 1944; whether or not they or any of them have made payments for reinsurance not authorized by the Legislature; whether or not they or any of them have been engaged in questionable practices in the adjustment of losses; whether or not they or any of them have been involved in questionable bond transactions with or without the assistance of other

state departments or institutions, and whether or not there are any other practices, acts or conduct in said departments, agencies or funds, by any of the officers or employers thereof, including the Commissioner and the heads of the several agencies, departments and funds, which should merit further or curative legislative action.

§ 4. Said Committee may employ such legal and other expert assistance, and such clerical help, as it may deem necessary, and may incur all necessary or proper expense in connection therewith, and may delegate to any one or more members of the Committee, or to any employee, the right to make such investigations and take such testimony or evidence, within or without this state, as may be deemed by the committee appropriate to secure the necessary information for committee action.

§ 5. The Committee, and any sub-committee, member or representative or employee duly authorized by the Committee, shall have the power to administer oaths in connection with such investigation, to issue subpoenas and require the production of books, records, and documents before them; and all persons, including all officers and employees of the State and all of its departments, agencies, institutions and enterprises, and of all counties and other political subdivisions of the state, shall be required to obey the said subpoenas and orders to produce at any place designated therein within the county of their residence, official residence or where their business is carried on, and for failure or refusal to obey such subpoena or order to produce, or for refusal to testify on oath or affirmation in the manner provided by law for testimony in court or on deposition, the person so failing or refusing shall be punished for contempt of the Legislature as provided by law, and falsely testifying before any such member or authorized representative, shall constitute perjury and be punished as such.

§ 6. All corporations and all officers, agents, servants and employees of all corporations licensed or authorized to do business within this state by any authority of the state, (such as the Insurance Commissioner, State Banking Board, Secretary of State and all other licensing and supervisory authorities), shall be required to obey all subpoenas and orders to produce issued by the Committee or its authorized members or representative as provided in the previous section, at any place within the county where it shall have its principal office or any other office which may have evidence, records and documents desired by the Committee or its authorized member or representative, whether within or without this state; and in case of the failure or refusal of any such corporation or any of its officers, agents or servants to obey any such subpoena or order to produce, or to appear and testify under oath or affirmation, concerning the matters requested, the committee shall forthwith make report of the facts of such failure or refusal to the supervising or licensing

authority of this State, and it shall thereupon be the mandatory duty of such supervising or licensing authority or officer to give said corporation 10 days notice in writing by registered mail or his or its intention to cancel the license or authority of said corporation to do business within this state, and at the expiration of said 10 day period said licensing or supervisory authority shall hear evidence only upon the question of the failure or refusal to obey such subpoena or order to produce, and if the evidence shall show such refusal or failure, the license and authority of said corporation to do business in this State shall be forthwith cancelled and revoked; and in case of the failure of said supervising or licensing authority to give such notice, or in case of the failure or refusal of the supervising authority to cancel and revoke such license, the said Committee may institute an action in the District Court, in the nature of a writ of mandamus, to compel such cancellation and revocation by the supervising and licensing authority, and upon the hearing before the Court, the Court shall pass upon the evidence as to whether or not there has been such failure or refusal to obey such subpoenas or orders to produce, and if the Court shall find such failure or refusal, the Court shall order the license and authority cancelled by the licensing or supervisory authority or officer.

§ 7. All expenses of the Committee, including per diem and actual expenses incurred by Committee members, and all compensation and expenses of employees of the Committee, shall be paid out of the fund created by the appropriation made by this legislature for this purpose, upon vouchers approved and signed by the Chairman of the Committee.

§ 8. There is hereby appropriated out of any moneys in the State Treasury not otherwise appropriated, the sum of \$20,000 for the purpose of carrying out the provisions of this Act and said concurrent resolution, and any expenses incurred by the committee under said concurrent resolution, prior to the effective date of this Act, as well as expenses incurred thereafter, shall be proper charges to be paid for out of this appropriation.

Approved April 3, 1944.