

beef," and the initials of the inspector's Christian name, and his surname at full length, together with the name of the place where repacked.

Penalties.

28. SEC. 18. That any person or persons repacking, as aforesaid, shall be liable to all the forfeitures and penalties, and entitled to all the fees which are hereinbefore prescribed and directed.

An act to facilitate commerce.

P. L. 1866, p. 704.

Approved March 27, 1866.

Governor may license inspectors.

29. SEC. 1. That the governor shall have power to license, upon such terms as he may deem expedient (and may revoke such licenses), suitable persons as inspectors of beef, pork, flour, grain, tobacco, spirits, oils, and all kinds of merchandise, on the wharves, docks and piers, stores and warehouses of this state, and in order to give a marketable character to the articles so inspected, the inspectors so appointed may use and affix the same marks of inspection as are used in the state of New Jersey or in the city of New York.

Fees of inspectors.

Merchandise while in bulk on wharves, &c., exempt from attachment.

30. SEC. 2. That the inspectors may charge the same fees as are now charged in New York; the said merchandise while the same is in bulk on the wharves, docks, piers, stores and warehouses for exportation or importation shall be exempted from the attachment laws of the state of New Jersey.

Insurance.

I. AS TO THE INSURANCE COMPANIES OF OTHER STATES DOING BUSINESS WITHIN THIS STATE.

1. Amended by section 98.
2. Amended by section 126.
3. License and taxes.
4. Amended by sections 72 and 77.
5. Secretary of state to make statement of moneys received.
6. Certificates of authority to agents to be issued.
7. Secretary of state may revoke certificates.
8. No insurance to be made without certificate of authority.
9. Penalty for violation of preceding section.
10. Licenses and taxes of life insurance companies.
11. Licenses, fees and taxes of fire insurance companies.
12. Last two sections to include all impositions.
13. Insurance companies of other states may hold real estate.

II. AS TO INSURANCE COMPANIES OF THIS STATE.

1. FORMATION, POWERS AND MANAGEMENT.

14. Association for marine, fire and life insurance.
15. Re-insurance allowed, but classes of insurance to be kept separate.
16. Declaration in writing to be filed with secretary of state.
17. Notice of intended corporation to be published.
18. Subscription of stock thereupon authorized.
19. Organization may be joint stock or mutual.
20. Amended by section 73.
21. Capital of life, health or accident insurance.
22. Duties of attorney-general and secretary of state.
23. Deposit required before doing business.
24. Comptroller to prescribe regulations to secure proper investment on mortgage.
25. Secretary of state to certify as to deposit.
26. Increase of capital stock.
27. Directors to open books of subscription therefor.
28. When increase shall be deemed part of capital.
29. Suits between corporation and stockholders.
30. Companies so formed, bodies corporate.
31. Prohibition of trade by a company.
32. Amended by section 100.
33. Amended by section 92.
34. Trustees liable until stock invested.
35. Limits of liability.
36. Amended by sections 97 and 102.

37. Charter to continue thirty years, except life companies.
38. Fraudulent dividends.
39. Surplus capital in mutual companies.
40. Fees of secretary of state.
41. Capital stock may be increased to amount of surplus earned.
42. Deposit of securities necessary to commence business in other states.
43. Company may draw dividends on securities deposited.
44. Fees of state treasurer.
45. Proviso as to the deposit of securities.

2. STATEMENTS, RETURNS, REMEDIES.

46. Life insurance companies to make returns annually.
47. Every company to file statement of its condition during January of each year.
48. Secretary of state to examine condition of fire insurance companies.
49. When certificates of foreign companies to be revoked.
50. Life insurance companies subject to the same examination.
51. Secretary of state to be commissioner of insurance.
52. Insurance companies to do no business until certificate of authority given.
53. Deposit subject to approval of secretary of state.
54. Penalty for unauthorized insurance.
55. Act to apply to all persons and companies effecting insurance.

3. DISSOLUTION, ETC.

56. Provisions in corporation act for winding up, applicable.
57. Act to extend to any company transacting insurance. Repealer.
58. Collateral security must be twenty-five per centum in excess of the amount loaned.
59. Secretary of state may notify to make good deficiency.
60. Mortgage must be first lien and fifty per centum in excess of amount of bond.
61. Every foreign insurance company shall file a copy of charter.
62. No policy in unauthorized company to be delivered, &c.
63. Repealer.
64. When secretary of state shall apply to chancellor for injunction to restrain insurance company from transacting business.
65. Amended by section 99.

66. Contracts for re-insurance prohibited unless assent of policyholders and secretary of state is obtained.
67. Receiver of life insurance company may re-insure obligations.
68. Receiver shall file annual statement.
69. Amended by section 103.
70. Amended by sections 104 and 118.
71. Repealer.
72. Amended by section 77.
73. Capital of joint stock and mutual companies, &c.
74. Repealer.
75. Joint stock companies may issue general and preferred stock.
76. Preferred stock heretofore issued declared legal.
77. Tax or premiums of foreign fire insurance companies to be paid to societies for benefit of disabled firemen. Annual statement required.
78. Repealer.
79. Proxy not to be voted on after three years.
80. Repealer.
81. Elections in companies to assist sick members, &c., to be by stockholders and not by policyholders.
82. Repealer.
83. Fee for certificate to agent of certain foreign life insurance companies.
84. Repealer.
85. Policies against loss by lightning, wind, &c., may be issued.
86. Surplus funds, how invested.
87. Bonds executed by certain insurance companies as sureties may be accepted.
88. Corporation may be organized to do suretyship business.
89. Such companies subject to provisions of insurance act.
90. When authority to do business is suspended, new security required.
91. Repealer.
92. Companies may hold and convey real estate for certain purposes.
93. Official bonds, &c., may be accepted when executed by insurance companies as sureties.
94. When authority is revoked, new security required.
95. Upon whom legal process may be served.
96. Certified copy of certificate of authority to be evidence of incorporation.
97. Amended by section 102.
98. Foreign insurance companies to file annual statement, &c.
99. Mutual fire insurance companies may be admitted to this state.
100. Securities in which surplus, &c., of insurance companies may be invested.
101. Unlawful for foreign mutual fire insurance company to recover upon policy or premium note unless act be complied with.
102. How charters of existing joint stock or mutual companies may be extended.
103. Insurance company not to transact business until authorized by law.
104. Amended by section 118.
105. Repealer.
106. Unlawful for insurance company to issue or renew policy on any one risk in excess of ten per centum of paid-up capital and net surplus.
107. Same as to foreign insurance companies.
108. Secretary of state to revoke certificates of company violating act.
109. Amended by section 120.
110. Formation of companies to insure lives of horses, cattle, &c., authorized.
111. Amount of capital required for such companies, &c.
112. Such companies to be subject to provisions of insurance act.
113. Expense of examination of affairs of company to be paid by company.
114. Life insurance companies to make annual returns. Commissioner of banking and insurance to compute value of policies and bonds.
115. Repealer.
116. Insurance companies organized under any special law may declare dividends.
117. Directors of insurance companies may receive a compensation for attendance at meetings.
118. Penalty for violation of act. Penalty, how disposed of.
119. Repealer.
120. Unlawful to insure in any company violating act.
121. Standard form of fire insurance policy to be prepared by commissioner of banking and insurance.
122. Such standard form to be used after January 1st, 1898. Conditions and provisions of such policy.
123. Foreign fire insurance companies to do business only through authorized resident agents.
124. Insurance brokers, how licensed. Fee for license.
125. Penalty for violating act.
126. When commissioner of banking and insurance shall issue certificate of authority to transact business to insurance company.
127. Repealer.
128. Insurance company may act as surety for any municipality, board, officer, &c.
129. Amended by section 132.
130. Insurance companies shall not discriminate between white and colored persons.
131. Penalty for violating act.
132. Repealer.
133. Foreign live stock insurance companies may be admitted to do business in this state upon complying with certain conditions.
134. When conditions have been complied with and fee paid, certificate of authority may issue.
135. No person to act as solicitor or agent of unauthorized company. Penalty.
136. When business year shall close. Annual statement to be filed.
137. When certificate of authority may be renewed.
138. Proceedings when any company is found to be violating act.
139. What the policy or certificate of insurance shall set forth.
140. No foreign company to effect insurance before complying with the law.
141. Certificates of officers of other states to be received as such states receive certificates from this state.
142. Penalty for violation of act.

III. MISCELLANEOUS ACTS.

143. No insurance company to use name of any existing company.
144. Certificate of authority to be withheld from certain companies.
145. Advertisements of assets and capital to include liabilities.
146. Penalty for violating act.
147. Proxy not to be voted on if more than one year old.
148. Notice of election to be given.
149. Penalty for failing to comply with act.
150. Mode of procedure for merging companies.
151. Consent of stockholders required.
152. When merger shall be effected.
153. The rights, franchises and interests of merged company.
154. Rights of creditors not impaired by reason of merger.
155. Foreign insurance companies may make statement of business done in United States only.
156. Companies making no report of foreign business not to advertise the same.
157. Foreign fire insurance companies to report premiums received to fire relief associations, &c.
158. Agents and brokers to make return to treasurer of relief association and pay premiums.
159. Agents and brokers to keep account of business done.
160. Penalty for failing to keep such account, &c.
161. Certificate of authority of agent or broker failing to make payment, &c., shall be revoked.
162. Distribution of moneys by secretary of state amongst firemen's relief associations.
163. Certain moneys and property in possession of any person, &c., to be paid to relief association.
164. Reciprocal legislation between different states not affected.
165. Acts repealed.
166. Companies for protection against loss or damage to glass by hail may be formed.
167. Who shall be members thereof.
168. Constitution and by-laws may be adopted.
169. Who may vote for directors.
170. Business to be managed by board of directors.
171. Assessments to pay losses incurred may be made.
172. What to constitute fund for payment of losses.
173. Mutual fire insurance company may elect vice president.

174. How live stock insurance companies may increase their business territory.
175. Regulations concerning assessments by mutual companies in cases of loss by lightning, wind or tornadoes.
176. Mutual fire insurance company may borrow money to pay losses.
177. Amended by section 182.
178. When liabilities exceed \$25,000, assessment to be made.
179. Rewards may be offered for apprehension and conviction of persons burning property.
180. Policies may be issued to persons other than the insured.
181. Repealer.
182. Assessment may be made at discretion of directors.
183. Certain state taxes and charges abolished.
184. Franchise tax to be hereafter paid by all life insurance companies.
185. Provisions of act of April 18th, 1884, to be applicable.
186. This act may be altered or repealed.
187. Foreign life insurance companies doing business on the assessment plan may be authorized to transact business in this state on certain conditions.
188. Certificates to agents to be renewed annually.
189. No company or agent to act without certificate of authority.
190. When and by whom an examination into the affairs of such company may be made. When certificate of authority may be revoked.
191. On failure to reply to inquiries under oath, authority may be revoked.
192. Every such company to designate principal office, &c., in this state.
193. Who deemed to be an agent, &c.
194. Annual report, under oath, to be filed.
195. Fees for filing certificate, &c.
196. To what societies act shall not apply.
197. Repealer.
198. Buildings may be insured by mutual fire insurance companies without regard to their distance from each other.
199. Repealer.
200. Life insurance companies not to make discriminations between persons of same class, &c.
201. Penalty for violating act.
202. Offenders against the act not to serve as agents of any company.
203. Repealer.
204. Property may be insured against loss by fire wherever located.
205. Persons may associate together as Lloyds associations.
206. Certificate of authority to be issued by commissioner of banking and insurance.
207. Such associations to file annual statements. Payment to firemen's relief associations, &c.
208. Lloyds associations organized prior to this act not to do business.
209. Provisions in case policy of life insurance issued by any domestic company, after being in force three years, becomes forfeited.
210. Indebtedness on policy to be paid in cash.
211. How net value of insurance shall be computed.
212. Excess of reserve on endowment policy to be paid in cash.
213. When policy shall be incontestable.
214. Certain companies have option to make certain payments in cash.
215. Act not to apply to policies on lives of children under twelve years.
216. Repealer.

I. As to the insurance companies of other states doing business within this state.

An act to provide for the regulation and incorporation of insurance companies.

Revision—Approved April 9, 1875.

1. [Amended by Sec. 98, *post.*]

2. [Amended by Sec. 126, *post.*]

License and tax on premiums.
P. L. 1867, p. 776, § 3.

3. That annually, on or before the first day of February in each year, every such fire, life, accident, marine or live stock insurance company, shall pay to the secretary of state the sum of fifty dollars, as license for transacting business in this state, and pay a tax of two per centum on all premiums received by said companies in this state for the preceding year; *provided, however,* that life insurance companies of states which do not impose a greater assessment upon the agents of such companies incorporated by this state, shall pay annually on or before the first day of February to the secretary of state, in lieu of the tax of two per centum, the sum of twenty dollars for each and every agent appointed by and acting for them.

4. [Amended by Secs. 72 and 77, *post.*]

Secretary of state to make statement of moneys received.
Ib., § 5.

5. That the secretary of state shall, on the first day of April of each year, make a full and complete statement to the comptroller, of all sums of money received by him from the said foreign insurance companies on account of the license, and tax of two per centum and of all payments in lieu of said tax; and he shall also give an account of all payments made by him to charitable fire associations, in pursuance of the fourth section of this act; and the amount remaining in his hands he shall pay over to the treasurer of the state upon a receipt countersigned by the comptroller.

Certificate of authority to agents to be issued.
Ib., § 6.

6. That the secretary of state shall issue a certificate of authority to all agents appointed and commissioned by any such foreign insurance company, which have complied with the requirements of this act, to transact business in the state for one year from the first day of February, *anno domini* eighteen hundred and seventy-five, and the same shall be renewed annually during the month of January every year.

7. That the secretary of state shall have authority to revoke and cancel any certificate issued by him upon being satisfied that the statement upon which such certificate of authority was issued is fraudulent, or that the capital of the company since the issuing of the certificate has become impaired.

Certificate may be
revoked.
Ib., § 7.

8. That it shall not be lawful for any person or persons to seek, take, or effect, or cause, or procure to be made or effected, or receive application for any insurance of whatever kind, by or in behalf of any person, insurance company or association not incorporated under and by virtue of the laws of this state, and no person shall, directly or indirectly, take, effect, or renew a policy of insurance of any kind, on any person or thing, within this state, for any such person, association or company, without having first obtained the certificate of authority, as mentioned in this act.

No insurance to be
made without cer-
tificate of auth-
ority.
Ib., § 8.

9. That every violation of the last section of this act shall subject the party violating to a penalty of five hundred dollars for each violation, which shall be sued for and recovered, in the name of the state, by the prosecutor of the pleas of the county in which such violation shall occur, and one-half of the said penalty, when recovered, shall be paid into the treasury of the said county, for the charitable fund of any fire department therein, or if none, for said county, and the other half to the informer of violation.

Penalty for viola-
tion of preceding
section.
Ib., § 9.
Amended.

10. That when by the laws of any other state or nation any taxes, fines, penalties, licenses, fees, deposits of moneys or of securities, or other obligations or prohibitions are imposed on life insurance companies of this state doing business in such other state or nation, or upon their agents therein, so long as such laws continue in force, the same taxes, fines, penalties, licenses, fees, deposits, obligations and prohibitions, of whatever kind, shall be imposed upon all such insurance companies of such other state or nation doing business within this state and upon their agents here; *provided*, that nothing herein shall be held to repeal or reduce the license fee of fifty dollars required of life insurance companies of other states doing business in this state, or the further payment of twenty dollars for each and every agent appointed by and acting for them, when by the provisions of this act such two per centum is not payable.

Licenses and
taxes of life insur-
ance companies.
P. L. 1872, p. 9.

Proviso.

11. That when by the laws of any other state or nation, any taxes, fines, penalties, licenses, fees, deposits of moneys or of securities, or other obligations or prohibitions are imposed on insurance companies, other than life insurance, of this state doing business in such other state or nation, or upon their agents therein, so long as such laws continue in force the same taxes, fines, penalties, licenses, fees, deposits, obligations and prohibitions of whatever kind shall be imposed upon all such insurance companies of such other state or nation doing business within this state and upon their agents here; *provided*, that nothing herein shall be held to repeal or reduce the license fee of fifty dollars required of fire insurance companies of other states doing business in this state, or the further payment of a tax of two per centum on all premiums received by said companies in this state for the preceding year.

Licenses, fees and
taxes of fire insur-
ance companies.
P. L. 1872, p. 25.
Amended.

Proviso.

12. That the provisions of the last two sections of this act shall be held and construed to apply to and include any and all rules, regulations, requirements or impositions of whatever kind, as well by any department or officer of the government of any state or nation, as by the laws thereof; and it is hereby expressly made and declared to be the duty of the secretary of state of this state to strictly enforce the provisions aforesaid in this section mentioned.

Duty of the secre-
tary of state.
P. L. 1873, p. 145.

13. That any insurance company organized under the laws of any other state or of the United States, and transacting the business of insurance in this state, shall be permitted to purchase, hold and convey real estate situate in this state, for the purposes, and no other, and in the manner herein set forth, to wit:

Life insurance
companies of other
states may pur-
chase, hold and
convey real estate
in this state
P. L. 1852, p. 159,
§ 11.
Amended.

I. Such as shall be requisite for its immediate accommodation in the transaction of its business; or,

II. Such as shall have been mortgaged to it in good faith by way of security for loans previously contracted, or for money due; or,

III. Such as shall have been conveyed to it in satisfaction of debts previously contracted in the course of its dealings ; or,

IV. Such as shall have been purchased at sales upon judgments, decrees or mortgages obtained or made for such debts ; and it shall not be lawful for any such company to purchase, hold or convey real estate in this state in any other case, or for any other purpose ; and all such real estate as may be acquired as aforesaid, and which shall not be necessary for the accommodation of such company in the convenient transaction of its business, shall be sold and disposed of within five years after such company shall have acquired title to the same ; and it shall not be lawful for such company to hold such real estate for a longer period than that above mentioned, unless the said company shall procure a certificate from the chancellor, that the interests of the company will suffer materially by a forced sale of such real estate ; in which event the time for the sale may be extended for such period as the chancellor shall direct in such certificate.

II. As to the insurance companies of this state.

1. FORMATION, POWERS AND MANAGEMENT.

14. That any number of persons, not less than thirteen in number, may associate and form an incorporated company for either of the following purposes, to wit :

I. To make insurance upon vessels, freights, goods, wares, merchandise, specie, bullion, jewels, profits, commissions, bank notes, bills of exchange, and other evidences of debts, bottomry and respondentia interests, and to make all and every insurance appertaining to or connected with marine risks of transportation and navigation.

II. To make insurance on dwellings, houses, stores, and all kinds of buildings, and upon household furniture, merchandise, live stock and other property, against loss or damage by fire and the risks of inland navigation and transportation.

III. To make insurance upon the health or lives of individuals, and against accidents and every insurance appertaining thereto, or connected with health, accident or life risks, and to grant, purchase or dispose of annuities.

15. That any company organized under this act shall have power to make re-insurance of any risks taken by them respectively, and may make insurance upon any or all of the risks mentioned in the subdivisions of the last preceding section ; but no company making insurance on the health or lives of individuals shall be permitted to take any other kind of risks, nor shall the business of life, accident or health insurance be in any wise connected or united in any company making insurance on marine or fire risks.

16. That such persons shall make, acknowledge and file in the office of the secretary of state, a declaration in writing, signed by all the corporators, expressing their intention and desire to form a company for the purpose of transacting the business of insurance, and setting forth :

I. The name of such company to be used in its business and dealings.

II. The place where the office of said company is located and its general business conducted.

III. The character of the insurance business proposed to be carried on by said company, that is to say, whether the same shall be under the first, second or third subdivisions of the twenty-fourth section of this(a) act or any branch of either of such subdivisions.

IV. Whether the said proposed company shall be a joint stock assurance company or a mutual insurance company.

V. If the same shall be a joint stock insurance company, the amount of the capital stock thereof, and the number of shares into which it is divided, and the sum with which they will commence business ; if the same shall be a mutual insurance company, the amount of cash capital stock subscribed, and with which they propose to commence business.

Association for marine, fire and life insurance. P. L. 1852, p. 158, § 1. Amended.

Life and health insurance not to be done by companies taking any other kind of risks. *Ib.*, § 2.

Declaration in writing to be filed with secretary of state, &c. *Ib.*, § 3. Amended.

(a) Should not the reference be to the fourteenth section ? Compare P. L. 1852, p. 160, section 3.

VI. The names and residences of the subscribers to the capital stock already subscribed for and the number of shares by them respectively agreed to be taken.

VII. The period at which such company shall commence and terminate, not exceeding thirty years, except in case of life insurance, which may be perpetual.

VIII. The number of trustees or directors proposed to be elected, and the manner and times of electing them.

IX. Said declaration and certificate shall also comprise a copy of the charter, if any, proposed to be adopted by said company.

17. That such persons shall cause a notice of their intention to form such company to be published once in each week, for two weeks, in a public newspaper in the county in which such insurance company is proposed to be located, and if no newspaper be published in such county, then in a newspaper of this state published nearest to the same.

Notice of intended corporation to be published.
Ib., § 3.

18. That it shall be lawful for the individuals associated for the purpose of organizing any company under this act, after having published the notice and filed their declaration and charter as required by the preceding section, to open books for subscription to the capital stock of the company so intended to be organized, and to keep the same open until the full amount specified in the charter is subscribed; or in case the business of such company is proposed to be conducted on the plan of mutual insurance, then to open books to receive propositions, and enter into agreements, in the manner and to the extent hereinafter specified.

Subscription to stock.
Ib., § 4.

19. That such companies may be organized under this act, either as companies having capital stock to be subscribed and paid for and divided into shares, which companies are herein called joint stock insurance companies, or they may be formed for the purposes aforesaid on the plan of mutual insurance, which companies are herein called mutual insurance companies.

Organization may be joint stock or mutual.

20. [Amended by Sec. 73, *post.*]

21. That no company formed under this act for doing the business of life, health, or accident insurance on the plan of mutual insurance, shall commence business until a cash capital of twenty-five thousand dollars shall have been paid in cash as aforesaid.

Capital of life, health, or accident companies.
Ib., § 6.
Amended.

22. That the certificate and charter filed by such persons shall be examined by the attorney-general, at or before the expiration of such notice, and if found by him to be in accordance with this act, and not inconsistent with the constitution or laws of this state, he shall so certify them to the secretary of state; and the secretary of state shall thereupon make examination and ascertain whether the capital herein required of the company named in the charter, according to the nature of the business proposed to be transacted by such company, has been paid, and is possessed by said company in money, or in such bonds and mortgages as are required by this act; or, if a mutual company, whether it has received and is in actual possession of the capital, premium notes, and bona fide engagements of insurance, or other securities, to the full extent and of the value herein required; and he shall further ascertain the name and residence of the maker of each premium note forming part of the capital, and the amount of such note; and the incorporators of such company shall be required to certify, under oath, that the capital exhibited on such examination is bona fide property of said company; such certificates shall be filed with the secretary of state, who shall thereupon deliver to such company a certified copy of their certificate of organization, and the charter, if any, accompanying the same, and of said certificates, which on being filed in the office of the clerk of the county where the company is to be located, shall be their authority to commence business and issue policies; and such certified copy of the said certificate of organization, charter, and of said certificates, may be used in evidence, for or against such company, with the same effect with the originals.

Duty of attorney-general and secretary of state.
Ib., § 13.
Amended.

Certificate of authority.

Deposit required
before doing
business.
Ib., § 8.
Amended.

23. That it shall not be lawful for any company organized under this act to transact business until such company shall have deposited with the comptroller of this state the sum of twenty thousand dollars in stocks or in bonds and mortgages; such stocks shall be the public stocks or bonds of this state, or of the United States, or the states of New York, Ohio, Massachusetts or Pennsylvania, or of the incorporated cities of this state, bearing at least six per centum interest; such mortgages shall be on unincumbered productive real estate within this state, worth double the amount so invested; and the said comptroller may from time to time, after such company shall have commenced the transaction of business, require further deposits of stocks, bonds and mortgages, as aforesaid, to an amount equal to one-fifth of the issued policies of such company, not to exceed in all the sum of one hundred thousand dollars.

Comptroller to
prescribe regula-
tions to secure
proper invest-
ments on bond
and mortgage.

24. That to every mortgage deposited with the comptroller of this state as herein provided, the president of the company depositing the same shall annex his affidavit that said mortgage was made and taken in good faith for money loaned by the company to the amount therein named, and that no part thereof has since been paid or returned, and that he has reason to believe and does believe that the premises thereby mortgaged are worth at least double the amount of the mortgage thereon; the comptroller shall prescribe such regulations for ascertaining the title and value of such real estate as he may deem necessary; the comptroller shall hold said stocks, bonds and mortgages as security for policyholders in said companies, but shall, so long as any company so depositing shall continue solvent, and shall comply with all the requisites of the laws of this state applicable to such company, permit such company to collect the interest or dividends on its bonds and mortgages or stocks so deposited, and from time to time to withdraw any of such securities, on depositing with the comptroller other like securities, stocks or mortgages, the par value of which shall be equal to the par value of such as may be withdrawn; each mortgage so substituted to be also accompanied with an affidavit, as required in the preceding section; and the comptroller shall prescribe such regulations for ascertaining the title and value of the real estate covered by the mortgage so substituted as he may deem necessary.

Secretary of state
to certify as to
deposit.

25. That the secretary of state shall be satisfied and so certify upon said certified copy of such certificate of organization, before giving such company the same, that such deposit as herein required to be made, of stocks or mortgages, with the comptroller has been duly made by such company.

Increase of capital
stock.
P. L. 1856, p. 312,
§ 1.

26. That it shall be lawful for any joint stock company organized under this act to increase the amount of their capital stock in the manner herein-after mentioned; the directors of such company, or a majority of them, shall file in the office of the secretary of state a declaration of their intention to increase their capital, and they shall publish notice of the same for thirty days in the manner prescribed in the seventeenth section of this act.

Directors to open
books of subscrip-
tion therefor.
Ib., § 2.

27. That it shall be lawful for the said directors or a majority of the same, after having published the notice before mentioned, and filed a copy of the same, with proof of publication, in the office of the secretary of state, to open books of subscriptions for said increase of capital, and keep the same open until the full amount thereof shall be subscribed; and they shall for forty days after opening said books, give the stockholders in said company the privilege of subscribing for said stock; and if at the end of said time they shall not have subscribed for the same, then other persons may subscribe therefor.

When increase to
be deemed part
of capital.
Ib., § 3.

28. That the whole of the increased capital shall be paid, and may be invested, and an examination thereof shall be made, and a certificate of such examination filed, as is provided in this act; and thereupon the said increase shall be deemed a part of the capital of said company, subject to all the provisions of this act applying to the same.

Suits between
companies and
stockholders.
P. L. 1852, p. 159,
§ 18.

29. That suits at law may be maintained by any corporation formed under this act against any of its members or stockholders for any cause relating to the business of such corporation; also suits at law may be prosecuted and maintained by any member or stockholder against such corpora-

tion for losses which may accrue if payment is withheld more than two months in all risks after such losses shall have become due.

30. That all companies formed under this act shall be deemed and taken to be bodies corporate and politic, in fact and in name, and shall be subject to all the provisions of the laws of this state in relation to corporations, so far as the same are applicable.

Companies so formed bodies corporate.
Ib., § 19.

31. That no company formed under this act shall directly or indirectly deal or trade in buying and selling any goods, wares, merchandise or other commodities whatever, unless said goods, wares or merchandise shall come into possession of said company in the legitimate pursuit or their business.

Prohibition of trade by a company.
Ib., § 20.

32. [Amended by Sec. 100, *post.*]

33. [Amended by Sec. 92, *post.*]

34. That the trustees and corporators of any company organized under this act, and those entitled to a participation of the profits, shall be jointly and severally liable until the whole amount of the capital proposed to be raised by the company shall have been paid in, and a certificate thereof recorded, as hereinbefore provided; notes taken in advance of premiums, under this act, are not to be considered debts of the company, in determining whether a company is insolvent, but are to be regarded as assets of the company.

Trustees liable until stock invested.
Ib., § 21.

35. That when any company shall be formed under the provisions of this act, the capital stock of which by the terms of its charter shall exceed the sum hereby required for the organization of such company, the trustees and corporators of such company, and those entitled to a participation of the profits of the same, shall be relieved from the joint and general liability in the last section of the act mentioned, when capital to the amount required for such organization shall be paid in and invested as herein required.

Limit of liability.
P. L. 1854, p. 455, § 2.
Amended.

36. [Amended by Secs. 97 and 102, *post.*]

37. That all the charters formed or extended under this act shall be of thirty years' duration each, except those of life insurance, which shall be without limit of time, but the legislature may at any time alter, amend or repeal this act, or dissolve and provide for the closing up the business and affairs of any company formed under it.

Charters to continue thirty years, except life companies.
Ib., § 17.

38. That no dividend shall ever be made by any company incorporated under this act when its capital stock is impaired, or when the making of such dividend would have the effect of impairing its capital stock; and any dividend so made shall subject the stockholders receiving the same to a joint and several liability to the creditors of said company to the extent of the dividend so made.

Fraudulent dividends.
Ib., § 22.

39. That it shall be lawful for any mutual company, established in conformity with the provisions of this act, to unite a cash capital to any extent, as an additional security to the members over and above their premiums and stock notes, which additional cash capital shall be left open for accumulation, and shall be loaned and invested as provided in the thirty-second section of this act; and the company may allow an interest on such cash capital, and a participation in its profits, and prescribe the liability of the owner or owners thereof to share in the losses of the company; and such cash capital shall be liable as the capital stock of the company in the payment of its debts; every company organized under this act shall pay into the treasury of this state, for the school fund, one-quarter of one per centum per annum on its capital stock, and which amount shall be paid in, under oath or affirmation of the president and secretary thereof.

Surplus capital in mutual companies.
Ib., § 23.
Amended.

Tax on capital stock.

40. That the secretary of state shall be entitled to charge and receive from the persons or companies requiring his service under this act such fees as are allowed by law for similar services; and when duties are required of him not provided for by law, such further compensation as the attorney-general may direct.

Fees of secretary of state.

41. That whenever it shall appear to the satisfaction of the secretary of state, as the result of examination, as provided for by this act, that any joint stock insurance company, incorporated by the legislature of this state, shall have a net surplus, after providing for the capital stock, re-insurance

Capital stock may be increased to amount of surplus earned.
P. L. 1874, p. 29.

and all claims for losses and other actual liabilities, of not less than fifty thousand dollars, which amount shall be represented by scrip issued by said company, the secretary of state shall issue a certificate of the amount of such net surplus, and such company upon a vote therefor of a majority of all the directors thereof, may increase the capital stock to the amount of such certificate, or any portion thereof, in exchange for said scrip, and may issue certificate of such stock, which shall contain the same provisions, and in shares of similar amount with that originally issued; in the case of mutual insurance companies of this state, if upon such examination the secretary of state shall find a net surplus, after providing for re-insurance and all claims for losses and other actual liabilities, equal to the amount of scrip issued, he shall issue a certificate of the amount of such net surplus, and such company, upon a vote therefor, of a majority of all the directors thereof, may create a capital stock for the whole or any portion of the amount of such scrip, in exchange for said scrip, and may issue certificates of such stock, which shall be divided into shares of such amount, and the holders thereof shall be entitled to such privileges, and subject to such liabilities as the board of directors thereof may determine not inconsistent with the charter of such company, or with the laws of this state.

Mutual companies may also increase capital stock equal to the amount of net surplus.

Deposit of securities necessary to commence business in other states.
P. L. 1853, p. 426.

42. *Whereas*, by the laws of some of the United States it is provided that insurance companies incorporated under the laws of this state shall not transact business in said states except on a deposit of securities in said laws named; therefore, it shall be lawful for the treasurer of this state to receive from any insurance company incorporated under the laws of this state a deposit of such securities as shall be necessary to enable such company to transact business in any of the United States under the laws of said states, respectively.

The company may draw dividends.
Ib., § 2.

43. That the said securities shall be held by the treasurer so long as such company shall desire to transact business in the states requiring such deposit; but the company making the deposit shall be at liberty to draw the dividends or receive the interest on such securities; and whenever any such company shall desire to discontinue its business in said states, and such deposit shall no longer be required by the laws of said states, the treasurer shall return the said securities to the company depositing the same.

Compensation of treasurer.
Ib., § 3.

44. That the treasurer, for performing the duties required by the two preceding sections of this act, shall receive such compensation as is provided for performing like duties by this act.

Provision as to the deposit of securities.

45. That nothing in either of the three last preceding sections of this act shall be construed in anywise to alter or interfere with any of the requirements hereinbefore made of the deposit of securities by companies not specially incorporated, but organized under the provisions hereinbefore enacted.

2. STATEMENTS, RETURNS, REMEDIES.

Life insurance companies to make return and secretary of state to value policies.
P. L. 1872, p. 8, 30.

46. That it shall be the duty of every life insurance company incorporated by the laws of this state to make returns in January of each year to the secretary of this state, showing all its policies and annuity bonds in force on the first day of said month, with such particulars of the same as are necessary for the valuation thereof, as is hereinafter directed; the secretary of state shall thereupon compute or cause to be computed the value of such policies and bonds, or what is known as the re-insurance fund therefor, according to the American experience table of mortality and interest at the rate of four and a half per centum, or according to the actuaries' mortality and four per centum interest, or according to any other recognized standard of valuation as he may deem best for the security of the business and the safety of the persons insured; upon such valuation being made and a certificate thereof furnished by the secretary, each company shall pay to such officer to defray the expense thereof, the sum of one cent for every thousand dollars of the whole amount insured by its policies so valued.

47. That every fire, life, accident, marine or other insurance company incorporated or doing business, or which may be hereafter authorized to do business under the laws of this state, shall, annually, during the month of January, file in the department of state of this state, a statement exhibiting its condition on the thirty-first day of December last preceding, as by this act required of insurance companies of other states and nations doing business in this state; and for this purpose it shall be the duty of the secretary of state to furnish blank forms for statements, the same as now in use, which forms may by him be from time to time changed, as may be requisite to secure full information as to the standing and condition of such insurance companies; *provided*, that the statements required of purely mutual companies taking notes in whole or in part for premiums, which notes are liable to assessments, shall be in such form as the secretary of state may prescribe adapted to the use of such companies; any insurance company failing to make and file such statement for the space of thirty days from the time above fixed for such filing, or to reply in writing to any inquiry made by the secretary of state touching the same, within twenty days, shall be subject to a penalty of five hundred dollars, and a like penalty for every month that such company shall continue thereafter to transact any business of insurance without filing such statement, to be sued for and recovered in the name and for the benefit of the state, by the attorney-general, on notice of the secretary of state.

48. That it shall be the duty of the secretary of state, whenever he shall deem it expedient, or at the request of such company, or like request in writing by three or more policyholders therein, or creditors thereof, himself, or by such person or persons as he may designate, to examine into the affairs of any fire insurance company organized under the laws of, or by its agents doing business in, this state; *provided*, that not more than one examination shall be made at the request of policyholders or creditors in any one year; and it shall be the duty of the officers or agents of any such company doing business in this state to exhibit all its books, records and accounts for the purpose of such examination, and otherwise to facilitate the same so far as it may be in their power to do, and for that purpose the secretary of state, or his representatives, shall have power to examine, under oath, the officers and agents of any company relative to the business and affairs of such company; and whenever the secretary of state shall deem it necessary to the public good, he shall publish the result of such examination in two newspapers published in the city of Trenton, and two published in the county where the company is located; and whenever it shall appear, as the result of such examination, that the assets of any fire insurance company organized under the laws of this state, after charging it with an amount requisite for the re-insurance of all its outstanding risks and with its other proper liabilities, excepting capital stock paid in, amount to less than three-fourths of such capital, if it be a joint stock capital company, or in the case of mutual companies, if the assets, less unsettled claims and other actual liabilities, amount to less than three-fourths of the sum requisite for re-insurance, then he shall call upon said company to make up such deficiency within such reasonable time as he shall fix, and on failure to comply with such requisition he shall communicate the fact to the attorney-general, whose duty it shall then become to apply forthwith to the chancellor for an order to show cause why an injunction should not issue restraining them from doing further business, and the chancellor shall thereupon proceed to hear the allegations and proofs of the respective parties; and in case it shall appear to his satisfaction that the assets and funds of said company are not sufficient as aforesaid, or that the interests of the people so require, the chancellor shall decree a dissolution of said company and a distribution of its effects; the chancellor shall have power to refer the application of the attorney-general to a master to inquire into and report upon the facts alleged. (a)

Companies incorporated or doing business in this state shall file statement of their condition.
P. L. 1874, p. 49.

Mutual companies to report in form as required by secretary of state.

Penalty.

Secretary of state to examine into condition of fire insurance companies.
Ib., § 2.

Officers of companies to exhibit books, &c., and aid in examination.

Result of examination to be published.

When exhibit of New Jersey companies not satisfactory they shall be required to make up deficiency.

On failure to comply, attorney-general shall apply to chancellor to restrain company from doing further business.

Chancellor may dissolve company if examination unsatisfactory.

(a) Though an insurance company may, under this section, be regarded as insolvent if it fail to make up, on the order of the insurance commissioner, deficiency in its capital stock, it will

not be held to be insolvent under the seventieth section of the corporation act, merely because of such deficiency, if it be solvent in fact. *Streit v. Citizens' Fire Insurance Co.*, 2 Stew. 21.

If exhibit of foreign companies not satisfactory, certificates shall be revoked.

Ib., § 3.

Revocation shall be published.

After which no business shall be transacted under penalty.

This act to apply to life insurance companies.

Ib., § 4.

Secretary of state shall be commissioner of insurance.

Ib., § 5.

Shall report to the legislature.

Expenses shall not exceed ten per cent. of receipts.

No company of this state shall issue policies without certificate and authority from secretary of state.

Ib., § 7.

Deposits of security shall be subject to approval of secretary of state.

Ib., § 8.

Penalty for effecting insurance in companies which have not complied with the law.

Ib., § 6.

49. That whenever it shall appear to the secretary of state, as the result of examination as provided in this act, that the affairs of any company not incorporated by this state and doing business herein, are in an unsound condition, estimated in the same manner prescribed in the preceding sections, he shall revoke the certificates granted to such company and its agents, and shall cause a notification thereof to be published at least six times in two newspapers published in the cities of Trenton and Newark respectively ; and all agents of such company, after the first publication of such notice, shall be required to discontinue the issuing of new policies or the renewing of any previously issued ; and any such agent who shall make, issue or deliver any policy, or the renewal of any policy of insurance, or collect or receive any premium of insurance, or in any way transact any business of insurance on behalf of any such company, shall be liable to the same penalties, to be recovered in like manner as prescribed in the ninth section of this act.

50. That the provisions of the foregoing sections, so far as may be, shall be held to apply to life insurance companies of this state, or of other states and governments doing business in this state, and such companies shall be subject to the same examinations, liabilities and requirements as by such sections imposed upon fire insurance companies, and the same duties are imposed upon the secretary of state, the attorney-general and the chancellor ; *provided*, that injunction shall issue only when it shall appear by examination that the assets of any life insurance company, as aforesaid, are not sufficient to re-insure its outstanding risks and discharge its total actual liabilities ; the actual expenses of all examinations made under authority of this act shall be paid by the companies examined.

51. That the secretary of state shall be, by virtue of his office, commissioner of insurance, and it shall be his duty to make annual report to the legislature, containing a summary of the statement of every insurance company filed in his office as required by law, together with such facts and information touching the same as may be in his possession, which report shall be published as are other legislative documents ; and for the purpose of carrying out the provisions of this act the said secretary shall be authorized to expend from the sum annually received from taxes on insurance companies of other states an amount not exceeding ten per centum thereof ; the penalty for violation of this act, except where otherwise provided, shall be the same, to be collected in the same manner as provided in the ninth section of this act.

52. That no insurance company hereafter organized in this state shall issue policies until, upon examination by the secretary of state, it shall have been found to have complied with the laws thereof ; nor until the said secretary shall have issued his certificate, setting forth such fact, and authorizing the company to commence business, and that no insurance company organized under the laws of this state, or transacting business in this state, shall expose itself to loss on any risk or hazard by fire, to an amount exceeding ten per centum of its paid-up capital, or in the case of mutual companies, of their net assets ; *provided*, that no joint stock capital insurance company shall hereafter be organized in this state, or do any business of insurance, until it shall have a fully paid-up capital of at least one hundred thousand dollars, and that no such company shall make any loan or investment on the security of its own capital stock.

53. That the deposits of securities now required, or which may hereafter be required to be made by any insurance company of this state, shall be approved by the secretary of state, and he shall have authority to examine the same at all times, and may order the same, or any part thereof, changed at his pleasure, and no change or transfer of the same shall be made without his assent.

54. That any person or firm who shall in any manner act for or on behalf of another in the placing or procuring of any insurance in any company of another state or nation that has not complied with the laws of this state, shall be liable to the same penalties to be recovered in like manner as prescribed in section nine of this act ; certificates of authority

may be issued to persons to place or cause to be procured insurance in companies which have complied with the laws of this state, although such person may not be the commissioned agent of such company, and that the amount to be paid for filing the statements required by this act, or any of them, and for certificates to agents of foreign companies shall be five dollars.

55. That the several provisions of this act shall be deemed and held to extend to and include all and every person and persons who shall, within this state, make or cause to be made, procure, or cause to be procured, or who shall, directly or indirectly, act in the making or causing to be made, or in the procuring or causing to be procured, any agreement, contract or policy of insurance upon property or lives in this state, by any insurance company not incorporated by the laws of this state, or by any individual residing out of this state, notwithstanding such person or persons shall not be the agent or agents of such insurance company or individual or individuals, or shall not act for or in behalf of such company or individual or individuals, or that such agreement, contract or policy of insurance shall appear to have been made or entered into out of this state.

The act to apply to all persons and companies effecting insurance, in whatever manner, on property or lives in this state.

3. DISSOLUTION.

56. That the provisions in the "Act concerning corporations" contained for the winding up and dissolving of any corporation, are hereby severally made applicable, so far as possible, to any corporation formed or organized by virtue hereof; and the fifty-third and fifty-fourth sections of the act "to authorize and regulate the business of banking," shall be and the same are hereby extended to all insurance companies incorporated under the laws of this state, and, so far as practicable, to the business and assets of companies of other states doing business herein.

Provisions in corporation act, for winding up, applicable.

57. That this act shall be held and construed to extend to and include any and every company transacting the business of insurance of whatever kind in this state, and all acts or parts of acts inconsistent or conflicting with this act, be and the same are hereby repealed.

Act to apply to all companies doing business of insurance of any kind. Repealer.

Supplement.

Approved April 21, 1876.

P. L. 1876, p. 301.

58. SEC. 1. That whenever it shall appear by examination, as now authorized by law, that any insurance company organized under the laws of this state holds as collateral security for the payment of any loan, any stock, bond or security of whatever description, which has not a cash market value of at least twenty-five per centum more than the amount of such loan, the secretary of state shall have authority to require the reduction of such loan or an increase of collateral security, so that the security shall be at least twenty-five per centum in excess of the amount loaned as aforesaid.

Collateral security must be twenty-five per cent. in excess of the amount loaned.

59. SEC. 2. That if any insurance company shall not comply with the requirements of the foregoing section within ten days after receiving notice in writing from the secretary of state, it shall be his duty to disallow any loan the security whereof is less than twenty-five per centum in excess of the amount loaned, and deduct the amount thereof from the assets of the company holding the same.

Secretary of state may notify to make good deficiency, and disallow amount if not done.

60. SEC. 3. That if it shall appear, upon examination as aforesaid, that any such insurance company holds any bond which is secured by mortgage upon real estate which is not a first lien, or that the value of such real estate is less than fifty per centum in excess of the amount of the bond which it is mortgaged to secure, the secretary of state shall have authority to disallow any such bond, and deduct the amount thereof from the assets of any company holding the same, after having given the company at least twenty days' notice, in writing, to change or conform any such loan to the requirements of this act.

Mortgage must be first lien, and fifty per cent. in excess of amount of bond.

Secretary of state may disallow after notice.

Filing charter.

Fee for, \$20.

Agent's certificates, \$2 each.

No license fee.

Filing statement, \$20.

No policy in unauthorized company to be delivered, nor premium collected.

Penalty.

Repealer.

61. SEC. 4. That every insurance company of another state or nation shall, upon application for authority to transact business in this state, file a duly-authenticated copy of its charter or certificate of organization, and that the charge therefor shall be twenty dollars, and for certificates of authority to agents of any such company, two dollars each; *provided*, that there shall be no charge for annual license to such company, and that nothing herein contained shall alter or repeal the reciprocal provisions of sections ten, eleven and twelve of the act to which this is a supplement; and there shall be paid by every insurance company authorized to transact business in this state, for filing the annual statement as now required by law, twenty dollars.

62. SEC. 5. That it shall not be lawful for any person within this state to negotiate any insurance, or deliver any policy or certificate of renewal thereof, or receive any premium thereon, on any property or thing, or on the life of any person in this state, in any company that has not complied with the requirements of this act and the act to which this is a supplement, under a penalty of five hundred dollars for each offense, to be sued for and collected on complaint, in the name of the state, by the prosecutor of the pleas for the county where the offense shall have been committed; and the person or persons against whom a judgment shall be obtained shall be committed to the county jail until such fine and costs are paid or otherwise discharged; and one-half of said penalty, when recovered, shall be paid to the charitable fund of any fire department in said county, and the other half to the complainant.

63. SEC. 6. That this act shall take effect immediately, and that all acts or parts of acts inconsistent with this act be and the same are hereby repealed.

Supplement.

Approved March 8, 1877.

P. L. 1877, p. 100.

When secretary of state shall apply to chancellor for injunction to restrain insurance company from transacting business.

64. SEC. 1. That whenever the secretary of state, as the result of examination as authorized by the act to which this is a supplement, shall ascertain that the assets of any fire insurance company organized under the laws of this state, after charging it with an amount requisite for the re-insurance of all its outstanding risks and with its other proper liabilities, excepting capital stock paid in, amount to less than three-fourths of such capital, if it be a joint stock capital company, or in the case of mutual companies, if the assets, less unsettled claims and other actual liabilities, amount to less than three-fourths of the sum requisite for re-insurance, or in the case of any life, or other than fire insurance company, that the assets are not sufficient to re-insure its outstanding risks and discharge its total actual liabilities, or is of opinion that any such fire, life or other insurance company is insolvent by the standard hereby fixed, or that its condition is such as to render its continuance of business hazardous to the public or those holding its policies, or that the officers of any such corporation have violated or failed or neglected to comply with the provisions of its charter, or, if organized under general laws, the requirements thereof, or the by-laws adopted in accordance with such charter or laws by the board of directors of such corporation, or that the assets, or any portion thereof, of any such corporation are not kept continually within this state, or are about being removed from the state, it shall be his duty to apply by petition or bill of complaint or information to the chancellor for an injunction restraining such corporation from the transaction of any further business, or the transfer of its assets, or any portion thereof, in any manner whatsoever, and for such other relief and assistance as may be appropriate to the case; and the chancellor being satisfied of the sufficiency of such application, or that the interests of the people so require, may order an injunction and make other appropriate orders in a summary way, and thereafter proceed in said cause according to law and the practice of the court of chancery.

65. SEC. 2. [Amended by Sec. 99, *post.*]

66. SEC. 3. That it shall not be lawful for any life insurance company, organized or to be organized under the laws of this state, to contract for the re-insurance of any of its outstanding risks or policy obligations in any other company, nor itself to re-insure such risks or obligations of another company unless two-thirds in number of the holders of the policies proposed to be re-insured shall assent thereto in writing; and the contract for such re-insurance shall be utterly invalid and of no force until it shall have been submitted to the secretary of state of this state and by him approved, which he shall only do after due inquiry and upon satisfactory evidence that the interests of the policyholders are fully protected, and that the consent of two-thirds of them has been had in writing as aforesaid.

Contracts for re-insurance prohibited unless assent of policyholders and secretary of state is obtained.

67. SEC. 4. That it shall be lawful for the receiver of any life insurance company, organized under the laws of this state, whenever the assets of such company shall be sufficient for that purpose, and the consent of two-thirds of the policyholders thereof shall have been had in writing, to re-insure all the policy obligations of such company in some other solvent life insurance company, or whenever the assets are insufficient to secure the re-insurance of all the policies in full, he may re-insure such a percentage of each and every policy outstanding as the assets will secure; *provided*, that there shall be no preference or discrimination as against any policyholder, and that the contract for such re-insurance by the receiver shall be approved by the secretary of state before it shall have effect.

Receiver of life insurance company may re-insure policy obligations.

Proviso.

68. SEC. 5. That the receiver of every insurance company, of whatever kind, organized under the laws of this state, shall file a statement of the affairs of such company and his transactions as receiver thereof, in the department of state of this state during the month of January, annually, or on closing up the business of such company, in such form as the secretary of state may prescribe, and a summary of every such statement shall be included by the secretary of state in his annual insurance report.

Receiver shall file annual statement.

69. SEC. 6. [Amended by Sec. 103, *post.*]

70. SEC. 7. [Amended by Secs. 104 and 118, *post.*]

71. SEC. 8. That all acts or parts of acts inconsistent herewith are hereby repealed, and that this act shall take effect immediately.

Repealer

Supplement.

Approved April 5, 1878.

P. L. 1878, p. 388.

72. SEC. 1. [This section, amending Sec. 4, *ante*, is again amended by Sec. 77, *post.*]

Supplement.

Approved February 26, 1879.

P. L. 1879, p. 54.

73. SEC. 1. That the twentieth section of an act entitled "An act to provide for the regulation and incorporation of insurance companies," approved April ninth, anno domini one thousand eight hundred and seventy-five, and which reads as follows [see Sec. 20, *ante*], be amended to read as follows:

[That no joint stock insurance company formed under this act shall be organized with a smaller capital than one hundred thousand dollars, or entitled to commence business until said sum is actually paid in cash, nor shall any mutual insurance company, for the purpose of marine or fire insurance, be entitled to commence business until agreements have been entered into for insurance, the premium on which shall amount to five thousand dollars, and notes have been received in advance therefor; such notes shall be considered a part of the capital stock of such mutual insurance company, and shall be valid and collectible for paying any losses which may accrue, or any other lawful use or purpose.]

Capital of joint stock and mutual companies, &c.

74. SEC. 2. That all acts or parts of acts inconsistent or conflicting with this act be and the same are hereby repealed.

Repealer.

Supplement.

Approved March 14, 1879.

P. L. 1879, p. 317.

Joint stock companies may issue general and preferred stock.

Dividends on preferred stock.

Proviso.

Preferred stock heretofore issued declared legal and valid.

Proviso.

75. SEC. 1. That any insurance company, organized under the laws of this state as a joint stock insurance company, shall have power to create and issue certificates for two kinds of stock, namely, general stock and preferred stock; which preferred stock shall at no time exceed two-thirds of the actual capital stock paid in, and shall be subject to redemption at par, at a fixed time to be expressed in the certificates therefor; and the holders of such preferred stock shall be entitled to receive, and the said company issuing such stock shall be bound to pay thereon, a fixed half-yearly sum or dividend, to be expressed in the said certificate, not exceeding four per centum, before any dividend shall be set apart or paid on the said general stock; and the holders of such preferred stock shall incur the same personal liability for the debts and liabilities of such company as is charged upon or incurred by the holders of the common or general stock, and in case of insolvency, such debts or other liabilities shall be paid in preference to such preferred stock; *provided always*, that no such company shall create or issue certificates for such preferred stock except by the authority and consent of at least three-fourths in number of the general stockholders of said company, who shall hold at least two-thirds of the stock thereof, which consent shall be expressed in writing over the signatures of such general stockholders.

76. SEC. 2. That stock purporting to be preferred stock, heretofore created or issued by any joint stock insurance company organized under any law of this state, shall in all respects be legal and valid, the same as if such stock had been created and issued by virtue of the authority given by this act; *provided*, such preferred stock shall conform to the provisions of the first section of this act, and shall have been authorized by the consent of at least four-fifths of the general stockholders of such company, expressed in writing, previous to the issue or purported issue thereof.

Supplement.

Approved March 14, 1879.

P. L. 1879, p. 327.

Tax on premiums of foreign fire insurance companies to be paid to societies for benefit of disabled firemen.

Annual statements to be made to the secretary of state.

77. SEC. 1. That section four of "An act to provide for the regulation and incorporation of insurance companies" [Revision], approved April ninth, one thousand eight hundred and seventy-five, and amended April fifth, one thousand eight hundred and seventy-eight, which reads as follows [see Sec. 72, *ante*], be and the same is hereby amended so as to read as follows:

[That when there shall exist in any city, borough or township of this state an organized fire department and one or more charitable associations or organizations for the accumulation and disbursement of a fund for the benefit of disabled or incapacitated firemen or their families, all moneys received by the secretary of state, as herein provided, as payment of the tax of two per centum upon the premiums received by the agents of foreign fire insurance companies within the limits of such city, borough or township for policies issued upon property within the limits of such city, borough or township shall be received for the benefit of, and be appropriated and applied to the use of the charitable fund of the said fire department; and the secretary of state, before the first day of April in each year, shall upon due proof of the bona fide existence of such organization by the certificate of the president and clerk or secretary of the organized fire department in such city, borough or township, pay over the sums by him received for the benefit of said charitable fund during the preceding year, as above provided, to the officer or officers of said organization designated in said certificate, taking a proper receipt therefor; where there are two or more such organizations in any city, borough or township receiving or that have received such moneys as aforesaid, each of such organizations in such city, borough or township shall, annually on the first day of April, file with the secretary of state a detailed statement of all investments made

of said fund, the amount thereof, and a detailed statement of all expenditures made therefrom, showing the date thereof, the amount and the person to whom paid, and for what purpose; and the said organized fire department, where there are two or more such organizations, may, in case of neglect of any one to file such statement; or in case of misappropriation of said funds, or of failure on the part of any such organization to expend said funds equally among all disabled or incapacitated firemen in said city, borough or township, direct such defaulting charitable organization to pay over all the funds received by it and unexpended according to law, to any other existing charitable organization for disabled or incapacitated firemen named by said organized fire department, and may, in case of refusal so to do, sue for and recover such sums by suit in law or in equity, and when recovered shall pay over the same to the said charitable organization so named by them as aforesaid; *provided*, that nothing in this section contained shall require any organization now existing under any present or past volunteer fire department to pay any of its funds to any organization under any present or future paid department.]

Proviso.

78. SEC. 2. That all acts and parts of acts inconsistent herewith be and the same are hereby repealed, and this act shall take effect immediately.

Repealer.

Supplement.

Approved February 19, 1880.

P. L. 1880, p. 39.

Preamble.

WHEREAS, It is a recognized principle that when practicable laws should be general and uniform in their character, and the general corporation act of the state provides that at elections for managers or directors of every incorporated company in this state, stockholders may vote in person or by proxy, and the proxies used shall be limited to three years from their date; *and whereas*, by a late law of the state the right of persons entitled to vote at elections for managers or directors of insurance companies of this state is abridged by limiting the use of proxies to one year from their date, by means of which females, invalids or persons residing at a distance as well as other parties who cannot conveniently attend such elections are incommoded; for remedy whereof,

79. SEC. 1. That hereafter all persons entitled to vote at any election of any insurance company in this state may vote in person, or by attorney or proxy, but no proxy shall be voted or allowed or received for more than three years from its date.

Proxy not to be voted on after three years.

80. SEC. 2. That all acts and parts of acts inconsistent with or repugnant to the foregoing shall be and the same are hereby repealed, and this act shall be deemed and taken to be a public act and shall take effect immediately.

Repealer.

Supplement.

Approved March 3, 1880.

P. L. 1880, p. 84.

81. SEC. 1. That all elections of directors of any joint stock insurance company whose object is to assist its sick or needy members, or to aid in defraying funeral expenses of deceased members and make provision for the families, existing under the laws of this state, organized under special charter, or under the act to which this is a further supplement, shall be by the stockholders of such company, and no policyholder or person insured in such company shall be entitled to vote at such elections unless such policyholder or person insured shall also be a stockholder in such company.

Elections in companies to assist sick members, &c., to be by stockholders and not by policyholders.

82. SEC. 2. That all acts and parts of acts, general and special, inconsistent with this act, be and the same are hereby repealed.

Repealer.

Supplement.

Approved March 21, 1881.

P. L. 1881, p. 144.

83. SEC. 1. That no insurance company of another state or nation, transacting business in this state, issuing policies of life insurance upon which the premiums shall, by the terms thereof, be payable weekly, shall be required to pay any other charge for agents appointed by or acting for them in the

Fee for certificate to agent of certain foreign life insurance companies.

Proviso.

business connected with the application for and the issuance of such policies and the collection of the said weekly premiums, than the sum of two dollars for each certificate of authority to such agents; *provided*, that nothing herein contained shall alter or repeal the reciprocal provisions of the act to which this is a supplement and the supplements thereto.

Repealer.

84. SEC. 2. That this act shall take effect immediately, and that all acts or parts of acts inconsistent with this act be and the same are hereby repealed.

Supplement.

Approved March 8, 1883.

P. L. 1883, p. 83.

Policies against loss by lightning, wind, &c., may be issued.

85. SEC. 1. That it shall be lawful for any fire insurance company, organized or to be organized under any law of this state, to issue policies providing against loss or damage by lightning, wind-storms and tornadoes. [See Sec. 175, *post*.]

May invest surplus funds in bonds and mortgages, and bonds of states or municipalities.

86. SEC. 2. That it shall be lawful for any one of said fire insurance companies, which may be doing an agency business out of this state, to invest a part of its surplus funds in bonds and mortgages, on unincumbered real estate situate where it may be doing such agency business, and worth double the amount so invested, and also in such good regular interest-paying bonds of states or the municipal corporations thereof as have not, within ten years previous to such investment, defaulted in the payment of either principal or interest in any debt.

Supplement.

Approved April 17, 1885.

P. L. 1885, p. 254.

Bonds executed by certain insurance companies as sureties may be accepted.

87. SEC. 1. That whenever any person who now is or hereafter may be required by law or otherwise to give a bond or to enter into recognizance, with security, for the faithful performance of any duty or for the doing or not doing of anything in said bond or recognizance specified, any person or corporation, officer or officers, board or body, public or private, judicial, legislative, executive or corporate, who now is or which now are or hereafter may be required or authorized by law or otherwise to approve the sufficiency of such bond or recognizance, may, in his or their discretion, accept such bond or recognizance and approve the same whenever the same is executed by an insurance company organized or authorized to do business under this act, and hereby authorized to transact the business of suretyship and to guarantee the fidelity of persons in positions of public or private trust; and all such corporations are hereby vested with full power and authority to execute such bonds and to enter into such recognizance. [See Secs. 93, 128 and 132, *post*.]

Corporation may be organized to do business of suretyship.

88. SEC. 2. That any number of persons not less than five may organize a corporation in this state to do business under the provisions of the last preceding section, and shall file a certificate thereof in the office of the secretary of state, setting forth the name and object of such corporation, the names of its directors and officers and the location of its principal office.

Companies subject to provisions of insurance act.

89. SEC. 3. That companies organized under and by virtue of the last preceding section shall be subject to the provisions and regulations of the act to which this is a supplement, so far forth as the same shall apply to companies organized in this state.

When authority to do business is suspended, new security required. Proviso.

90. SEC. 4. That whenever the secretary of state shall suspend or revoke such authority to do business in this state, new or supplemental security shall be required of the person for whom such company is surety; *provided*, that the liability of such company shall not be impaired by the requiring of such new security.

Repealer.

91. SEC. 5. That this act shall take effect immediately, and that all acts and parts of acts inconsistent herewith be and the same are hereby repealed.

Supplement.

Approved April 20, 1885. P. L. 1885, p. 276.

92. SEC. 1. That the thirty-third section of the act to which this is a supplement be and the same is hereby amended so as to read as follows :

[That any company organized by special charter of this state, or under the provisions of this act, shall be permitted to purchase hold and convey real estate for the purposes (and no other) and in the manner herein set forth, that is to say :

Companies may hold and convey real estate for certain purposes.

I. Such as shall be requisite for its immediate accommodation in the transaction of its business ; or,

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

III. Such as shall have been conveyed to it in satisfaction of debts previously contracted in the course of its dealings ; or,

IV. Such as shall have been purchased at sales upon judgments, decrees or mortgages obtained or made for such debts ; and it shall not be lawful for any incorporated company as aforesaid to purchase, hold or convey real estate in any case or for any other purpose ; and all such real estate as may be acquired as aforesaid, and which shall not be necessary for the accommodation of such company in the convenient transaction of its business, shall be sold and disposed of within five years after such company shall have acquired title to the same ; and it shall not be lawful for such company to hold such real estate for a longer period than that above mentioned, unless the said company shall procure a certificate from the chancellor that the interests of the company will suffer materially by a forced sale of such real estate, in which event the time for the sale may be extended to such a time as the chancellor shall direct in said certificate ; *provided*, that nothing herein contained shall prevent any insurance company from improving and conveying its real estate notwithstanding the lapse of five years as aforesaid, without having procured the certificate aforesaid.]

Proviso.

Supplement.

Passed March 30, 1886. P. L. 1886, p. 145.

93. SEC. 1. That whenever any person who is now or hereafter may be required by law or otherwise to make, execute or give a bond or enter into recognizance with security for the faithful performance of any trust, duty or office, or for the doing or not doing of anything in said bond or recognizance specified, any person or corporation, officer or officers, public or private, judicial, legislative, executive or corporate, who is now, or which now are or hereafter may be required or authorized by law or otherwise to approve the sufficiency of such bond or recognizance, may, in his or their discretion, accept such bond or recognizance and approve the same whenever the same shall be executed or the conditions thereof guaranteed by any insurance company organized under the laws of other states for the purpose of transacting the business of suretyship of personal or official bonds or recognizances, and which companies are hereby duly authorized under this act, with the authority of the secretary of state as provided in the act to which this is a supplement, to transact business in this state ; and all such corporations are hereby vested with full power and authority to execute such bonds and to enter into recognizances.

Official bonds, &c., may be accepted and approved when executed by insurance companies as sureties.

94. SEC. 2. That whenever the secretary of state shall suspend or revoke such authority to do business in this state, new or supplemental security shall be required of the person for whom such company is surety ; *provided*, that the liability of such company shall not be impaired by the requiring of such new security.

When authority is revoked, new security required.

Proviso.

95. SEC. 3. That any such company shall, as a condition precedent to its transacting any business in this state, file and keep in the office of the secretary of state a power of attorney irrevocable, except by substitution of a like power of attorney with the consent of the secretary of state, which power of attorney shall be executed under the seal of such company, and

Upon whom legal process may be served.

INSURANCE.

shall designate the name and address of an attorney-at-law resident in this state as the attorney of such company, upon whom all process and papers in any suit in any court of this state against such company may be served, and which attorney shall be thereby authorized and directed to enter the appearance of such company to any such suit, and such corporation so transacting business in this state shall be subject to the existing laws regulating insurance companies, to which this is a supplement.

Supplement.

Passed April 13, 1886.

P. L. 1886, p. 224.

Certified copy of certificate of authority issued by secretary of state to be evidence of the incorporation of companies.

96. SEC. 1. That whenever any insurance company, organized under the laws of other states or foreign governments, shall comply with the laws of this state, and shall have issued to it the certificate of the secretary of state, authorizing it to transact business in this state, in any action at law or in equity, in which such company is plaintiff or defendant, or in any criminal proceedings under the laws of this state, a certified copy of such certificate of authority, under the hand and official seal of the secretary of state, shall be prima facie evidence of the incorporation of such company.

Amendatory act.

Passed April 27, 1886.

P. L. 1886, p. 297.

97. SEC. 1. [This section, amending Sec. 36, *ante*, is again amended by Sec. 102, *post*.]

Supplement.

Approved April 8, 1887.

P. L. 1887, p. 151.

Foreign insurance companies to file annual statement, &c.

98. SEC. 1. That the first section of the act to which this is a supplement, be and the same is hereby amended so that the same shall read as follows :

[That all insurance companies organized under the laws of other states, or foreign governments, and transacting insurance in this state, shall, during the month of January of each year, furnish to the secretary of state, a statement signed and sworn to by their president and secretary specifying the name of the company, where located, the amount of paid-up capital and assets, of which they are possessed, showing the manner of investments, whether in bonds, mortgages, real estate, public stocks or other securities, and particularizing the amount of each class of investment ; also the amount of income for the year past, the amount of losses for the same time, the amount of claims unpaid, the amount necessary for re-insurance, the whole number of policies issued in this state for the preceding year, the gross amount of cash premiums received therefor, for the same period, the name and residence of each agent in this state and the amount of premiums received by each during the preceding year ; and it shall be the duty of the secretary of state to prepare a form of statement to be filled up by such insurance companies or associations, establishing agencies or transacting the business of insurance in this state, which shall conform to the above requirements ; *provided, however*, that mutual or assessment accident or casualty companies or associations, incorporated and organized under laws of other states may be admitted to transact in this state the business of accident insurance solely ; *provided*, that such companies or associations shall be possessed of and maintain assets invested in securities to be approved by the secretary of this state to the amount of at least fifty thousand dollars.]

Secretary of state to prepare form of statement.

Proviso.

Proviso.

A further supplement to an act entitled "A supplement to an act entitled 'An act to provide for the incorporation and regulation of insurance companies,' approved April ninth, one thousand eight hundred and seventy-five," which supplement was approved March eighth, one thousand eight hundred and seventy-seven.

Approved February 13, 1888. P. L. 1888, p. 28.

99. SEC. 1. That section two of the supplement to the act to which this is a further supplement be and the same is hereby amended so as to read as follows :

[That any fire insurance company, not organized under the laws of this state, doing business on the mutual plan, may be admitted to transact business in this state, if it shall appear to the secretary of state that such company is possessed of cash assets, well invested, of one hundred and fifty thousand dollars, and a like amount of premium or deposit notes liable to assessment, to pay losses, and if it shall, in all other respects, comply with the laws of this state, and the requirements of the secretary of state, in pursuance thereof ; *provided, however,* that in any action brought for the recovery of any assessment or assessments for losses sustained by such foreign insurance company admitted to do business in this state, if, on the trial of such action, it shall be made to appear that at the time of procuring the certificate of the secretary of state for the year in which such insurance was made and deposit note given, such company was not possessed, bona fide (that is, worth in the market at the time, over and above all liens and incumbrances), of cash assets, well invested, of one hundred and fifty thousand dollars, and a like amount of premium or deposit notes liable to assessment to pay losses, then such insurance shall be deemed fraudulent, and no recovery shall be had against any such insured for any assessment, and such premium note and policy shall be void as to all parties thereto.]

Mutual fire companies may be admitted to this state.

Proviso.

Supplement.

Approved March 1, 1888. P. L. 1888, p. 124.

100. SEC. 1. That section thirty-two of the above-mentioned act be and the same is hereby amended so as to read as follows :

[That it shall be lawful for any insurance company existing by virtue of the laws of this state, created by special charter or otherwise, for the purpose of investing its capital, surplus and other funds, or any part thereof, to purchase and hold as collateral security or otherwise, sell and convey, any bonds or public stock issued or created by the United States, or by this state, or by any of the states in which the said insurance company shall have been admitted to do business by the insurance department thereof, or any or either of them, or by any of the incorporated cities or counties of said states, or to invest said capital, surplus or other funds, or any part thereof, in bonds secured by mortgages or unincumbered real estate located within said states, or either of them, worth at least double the sum invested or loaned, or to loan on or purchase first-mortgage bonds of railroad companies organized under the laws of said states, or either of them, or operated therein ; *provided,* said loan on railroad bonds shall not be for a greater amount than fifty per cent. of their market value at the time said loan is made ; and any life insurance company existing and created as aforesaid, may purchase for its own benefit any policy of insurance or other obligation of the company, and any claims of policyholders, and may loan to the holders of the policies of the company a sum not exceeding the surrender value of the policies at the time the loan is made, for the payment of which loan the policies and all profits thereon shall be pledged ; and any company organized for the purpose of marine insurance may, in addition to the foregoing, loan their funds on bottomry and respondentia, and change and re-invest the same, as occasion may from time to time require ; *provided,* that no investment be made in bonds or public stock of any city that has not regularly paid its debts for the ten years last

Securities in which surplus, &c., of insurance company may be invested.

Proviso.

Proviso.

past, and wherein the total debt, including the city's share of the county's debts, shall exceed fifteen per centum of the assessed valuation of property within said city.]

Supplement.

Approved March 26, 1888.

P. L. 1888, p. 251.

Unlawful for foreign mutual fire insurance company to recover upon policy or premium note unless provisions of acts complied with.

101. SEC. 1. That it shall not be lawful for any fire insurance company not incorporated under or by virtue of the laws of this state and doing business on the mutual plan, to recover in any action in any court in this state upon any policy of insurance upon property in this state which has been or may be hereafter issued by such company, or upon any premium note given therefor, or for any assessment made upon such policy or note, unless such company has or shall have previously to the time of the issuing of such policy of insurance or the making of such premium note, complied with the provisions of the act to which this is a supplement and the supplement thereto.

An act to amend an act entitled "An act to amend an act entitled 'An act to provide for the regulation and incorporation of insurance companies,' passed April twenty-seventh, one thousand eight hundred and eighty-six."

P. L. 1888, p. 414.

Approved April 9, 1888.

102. SEC. 1. That section one of the act to which this is a supplement [see Sec. 97, *ante*] be and the same is hereby amended to read as follows, viz.:

How charters of existing joint stock or mutual companies may be extended

[That any existing joint stock company incorporated by this state for either of the purposes mentioned in this act may, at any time after notice being given for three months in a newspaper of this state published in the county where such company is located, and if no newspaper be published in such county then in a newspaper published nearest to the same, of such intention, and with the written consent of three-fourths in amount of its stockholders, or if a mutual company, or a mutual company whose charter has expired, with the unanimous consent of its trustees or directors, extend its original charter to the time specified by the provisions of this act, by altering or amending the same so as to accord with the provisions of this act, and filing a copy of the same so altered or amended, together with a declaration, under its corporate seal, signed by the president and directors, of their desire for such extension, and also the written consent of three-fourths in amount of its stockholders, and the unanimous consent of the trustees or directors as aforesaid to such extension, in the office of the secretary of state; and upon the filing such consent, declaration and charter, the same proceedings shall be had as are required by the thirty-second section of this act; and any of the mutual insurance companies already chartered by the legislature of this state, or already organized under the general laws of this state, may, after giving ninety days' notice in three of the public papers of this state, change to joint stock companies, by proceeding in accordance with and conforming their charter to the provisions of this act.]

An act to amend an act entitled "A supplement to an act entitled 'An act to provide for the incorporation and regulation of insurance companies,' approved April ninth, one thousand eight hundred and seventy-five," which was approved March eighth, one thousand eight hundred and seventy-seven.

P. L. 1889, p. 174.

Approved April 4, 1889.

103. SEC. 1. That section six of the act to which this is amendatory [see Sec. 69, *ante*] be and the same is hereby amended to read as follows:

Insurance companies not to transact business until authorized by law.

[That it shall be unlawful for any company, corporation or association of any kind whatsoever, incorporated or organized under the laws of this state, or of any other state or nation, itself, or by its agents, solicitors, surveyors, canvassers or other representatives of whatever designation, or for

any such agent, solicitor, surveyor, canvasser or other representative, or any individual or firm, whether on behalf of any such company, corporation or association or not, to solicit or negotiate any contract of insurance of any kind, or sign, deliver or transmit, by mail or otherwise, any policy, certificate of membership or certificate of renewal thereof, or receive any premium, commission, fee or other payment thereon, on any property or thing, or on the life, health or safety of any person, or in any manner, directly or indirectly, to transact the business of insurance of any kind whatsoever, within this state, unless such company, corporation or association, individual or firm, shall be authorized to transact business in this state under the provisions of the act to which this is a supplement, and the supplements thereto.] ^(a)

104. SEC. 2. [This section, amending Sec. 70, *ante*, is again amended by Sec. 118, *post*.]

105. SEC. 3. That all acts and parts of act inconsistent herewith be and the same are hereby repealed, and this act shall take effect immediately. Repealer.

Supplement.

Approved May 9, 1888. P. L. 1888, p. 399.

106. SEC. 1. That hereafter it shall not be lawful for any insurance company organized or incorporated under the laws of this state, transacting the business of insuring the health of persons, injury, disablement or death of persons resulting from traveling, general accidents by land or water, guaranteeing the fidelity of persons holding places of public or private trust, the lives of horses, cattle and other live stock, plate glass against breakage, steam boilers against explosion and against loss of life or property resulting therefrom, or against loss by burglary or theft, or either or any of them, to issue or renew any policy or policies on any one risk in excess of ten per centum of the amount of its paid-up capital stock and net surplus.

Unlawful for insurance company to issue or renew policy on any one risk in excess of ten per cent. of paid-up capital and net surplus.

107. SEC. 2. That hereafter it shall not be lawful for any insurance company organized or incorporated under the laws of any other state or country authorized and permitted by the laws of this state to transact the business of insurance on the health of persons, injury, disablement or death of persons resulting from traveling, by general accidents by land or water, guaranteeing the fidelity of persons holding places of public or private trust, the lives of horses, cattle and other live stock, plate glass against breakage, steam boilers against explosion and against loss of life or property resulting therefrom, or against loss by burglary or theft, or either or any of them, to issue or renew, in this state, any policy or policies on any one risk situated or located in this state, in excess of ten per centum of the amount of its paid-up capital stock and net surplus.

Same as to insurance companies of other states or countries.

108. SEC. 3. That whenever any insurance company such as is described in the second or third sections of this act shall violate any of the provisions of this act, the secretary of state, on being satisfied of any such violation, shall revoke and cancel any and all certificates of whatever character issued by him to any such insurance company or to the agents of any such insurance company.

Secretary of state to revoke certificates of company violating act.

109. SEC. 4. [Amended by Sec. 120, *post*.]

Supplement.

Approved May 12, 1890. P. L. 1890, p. 309.

110. SEC. 1. That any number of persons not less than seven may associate and form an incorporated company for the purpose of making insurance upon the lives of horses, cattle and other live stock.

Formation of companies to insure lives of horses, cattle, &c., authorized.

^(a) In prosecutions for the recovery of penalties for violation of this section, it is not necessary to prove or aver that defendant is a foreign corporation; it is sufficient to show that it has

not complied with the provisions of our insurance laws. *Fay v. Brewster*, 16 Vr. 432. See *State v. Taylor*, 27 Vr. 53.

Amount of capital required for stock companies.

Mutual companies not to commence business until agreements and notes have been entered into and received.

Such companies to be subject to provisions of insurance act.

111. SEC. 2. That no joint stock insurance company formed under this act shall be organized with a smaller capital than ten thousand dollars, or entitled to commence business until said sum is actually paid in in cash ; nor shall any mutual insurance company be entitled to commence business until agreements have been entered into for insurance and notes received to the amount of ten thousand dollars ; such notes shall be considered a part of the capital stock of such mutual insurance company, and shall be valid and collectible for paying any losses which may accrue or any other lawful use or purpose.

112. SEC. 3. That companies organized under and by virtue of the preceding sections shall be subject to the provisions of the act to which this is a supplement so far as the same shall apply to companies organized in this state.

Supplement.

Approved March 17, 1892.

P. L. 1892, p. 145.

Expense of examination of affairs of company to be paid by company.

If company is declared insolvent, expense to be taxed in costs.

113. SEC. 1. That the expense of examining into the affairs of any insurance company under the provisions of the act to which this is a supplement and the supplements thereto, shall be paid to the commissioner of banking and insurance by the company so examined ; and if, after such examination, any such company shall, on the application of said commissioner, have been or hereafter be, declared insolvent by the chancellor, the expense of such examination shall be taxed in the costs of the proceedings in the court of chancery and paid out of the assets of said company.

Life insurance companies to make annual returns.

Commissioner of banking and insurance to compute value of policies and bonds.

114. SEC. 2. That it shall be the duty of every life insurance company incorporated by the laws of this state, to make returns in January of each year to the commissioner of banking and insurance, showing all its policies and annuity bonds in force on the first day of said month, with such particulars of the same as are necessary for the valuation thereof, as is hereinafter directed ; the commissioner of banking and insurance shall thereupon cause to be computed the value of such policies and bonds, or what is known as the re-insurance fund therefor, according to the American experience table of mortality and interest at the rate of four and a half per centum, or according to the actuaries' mortality and four per centum interest, or according to any other recognized standard of valuation as he may deem best for the security of the business and the safety of the persons insured ; upon such valuation being made and a certificate thereof furnished by said commissioner, each company shall pay to such officer, to defray the expense thereof, the sum of one cent for every thousand dollars of the whole amount insured by its policies so valued, and of the gross amount of its annuity bonds so valued.

Repealer.

115. SEC. 3. That all acts and parts of acts inconsistent herewith be and the same are hereby repealed, and that this act shall take effect immediately.

Supplement.

Approved March 25, 1892.

P. L. 1892, p. 274.

Insurance companies organized under any special law may declare dividends.

Proviso.

116. SEC. 1. That it shall be lawful for any insurance company organized under a special law to declare dividends out of its surplus earnings at such times and at such per centum of the capital stock as a majority of the directors shall determine ; *provided*, that no dividend shall be made when the capital stock is impaired or when the making of such dividend would have the effect of impairing the capital stock, anything in the special act creating said company or the supplements thereto to the contrary notwithstanding.

Supplement.

Approved March 25, 1892.

P. L. 1892, p. 274.

Directors of insurance companies acting as officers thereof may receive compensation for attendance at meetings.

117. SEC. 1. That it shall be lawful for the directors of insurance companies, whether incorporated under the act to which this is a supplement or created by or existing under or by virtue of any special charter or act of the legislature of this state, acting as officers of the company, to receive such compensation as in the opinion of the majority of the board of

directors shall be just and reasonable, and also for the directors to receive such compensation as in the opinion of the majority of such board may be reasonable for each occasion of their attendance at meetings of the board of directors, anything in such special charter or acts to the contrary notwithstanding.

An act to further amend an act entitled "A supplement to an act entitled 'An act to provide for the incorporation and regulation of insurance companies,' approved April ninth, one thousand eight hundred and seventy-five," which supplement was approved March eighth, one thousand eight hundred and seventy-seven.

Approved March 25, 1892. P. L. 1892, p. 275.

118. SEC. 1. That section seven of the act to which this is amendatory [see Secs. 70 and 104, *ante*] be and the same is hereby amended to read as follows :

[That the penalty for each and every violation of this act, and of the act to which this is a supplement, and the supplements thereto, shall be five hundred dollars, and all costs of suit, to be sued for and collected on complaint and in the name of the state, by the commissioner of insurance and banking; the first process against any person complained of may be a *capias ad respondendum*, and the person or persons against whom any judgment shall be obtained shall be committed to the county jail until such penalty and costs are paid; one-half of such penalty, when recovered, shall be paid by the commissioner of insurance and banking to the local firemen's relief association in the city, town or township wherein the violation was committed, if there be such an association therein, and if not, then to be paid in equal shares to the several firemen's relief associations in the county wherein the violation occurred, and if none exist in the county, then to be paid to the said commissioner, to be distributed by him pro rata to each of the firemen's relief associations in the state, as other funds are now distributed by him, and the other half to the said commissioner for the use of the state; and the necessary expenses for enforcing the provisions of this act, and the act to which this is a supplement, and the supplements thereto, when not otherwise provided for, shall be paid by the commissioner of insurance and banking out of the fines so collected and the fees and taxes paid by insurance companies of other states and nations authorized to transact business in this state.]

Penalty for violation of act.

Penalty, when recovered, how disposed of.

119. SEC. 2. That all acts and parts of acts inconsistent herewith be and the same are hereby repealed, and this act shall take effect immediately.

Repealer.

An act to amend an act entitled "A further supplement to an act entitled 'An act to provide for the regulation and incorporation of insurance companies' [Revision], approved April ninth, one thousand eight hundred and seventy-five," which supplement was approved May ninth, one thousand eight hundred and eighty-nine.

Approved March 25, 1892. P. L. 1892, p. 277.

120. SEC. 1. That section four of the act to which this is amendatory [see Sec. 109, *ante*] be and the same is hereby amended to read as follows :

[That it shall not be lawful for any person or persons to seek, take or effect, or cause or procure to be made or affected, or receive applications for any character of insurance named in the first or second sections of this act, by or in behalf of any insurance company, as is described in the provisions of this act, which shall have violated any of the provisions of this act; and every violation of the provisions of this section shall subject the party violating the same to a penalty of five hundred dollars, to be sued for and recovered in the name of the state by the prosecutor of the pleas of the county in which such violation shall occur; one-half of the said penalty, when recovered, shall be paid by said prosecutor of the pleas to the treasurer of the local firemen's relief association in the city, town or

Unlawful to effect insurance in any company violating act.

Penalty.

township wherein the violation was committed, if there be such an association therein, and if not, then to be paid in equal shares to the treasurers of the several firemen's relief associations in the county wherein the violation occurred, and if none exist in the county, then to be paid to the commissioner of insurance and banking, to be distributed by him pro rata to each of the relief associations in this state, as other funds are now distributed by him, and the other half to the informer of the violation.]

Supplement.

Approved March 30, 1892.

P. L. 1892, p. 366.

Standard form of fire insurance policy to be prepared by commissioner of banking and insurance.

121. SEC. 1. That the commissioner of banking and insurance shall prepare a printed form in blank of a contract or policy of fire insurance, together with such provisions, agreements or conditions as may be indorsed thereon or added thereto, and form a part of such contract or policy, and file the same in the office of the secretary of state, on or before the first day of July, one thousand eight hundred and ninety-two, similar in all respects, except as hereinafter mentioned, to the contract or policy of fire insurance provided by law for the states of Pennsylvania and New York, and such form when filed shall be known and designated as the "standard fire insurance policy of the states of New York, Pennsylvania and New Jersey."

After January 1st, 1893, no other than the standard form to be used.

122. SEC. 2. That on and after the first day of January, one thousand eight hundred and ninety-three, no fire insurance company, corporation or association, their officers or agents, shall make, issue, use or deliver for use, any fire insurance policy, or a renewal of any fire policy on property in this state other than such as shall conform in all particulars as to blanks, size of type, context, provisions, agreements and conditions, with the printed form of contract or policy filed in the office of the secretary of state as provided for in the first section of this act, and no other or different provision, agreement, condition or clause shall in any manner be made a part of said contract or policy, or be indorsed thereon or delivered therewith, except as follows, to wit:

What other provisions, &c., may be added.

Name, location, date of organization, &c.

I. The name of the company, its location and place of business, the date of its incorporation or organization, whether it is a stock or mutual company, the names of its officers, the number and date of the policy, and if it be issued through a manager or agent, the words "this policy shall not be valid until countersigned by the duly-authorized manager or agent of the company at _____," may be printed on policies issued on property in this state;

Matters necessary to clearly express conditions of insurance.

II. Printed or written forms of description and specification, or schedules of the property covered by any particular policy, and any other matter necessary to clearly express all the facts and conditions of insurance on any particular risk (which facts or conditions shall in no case be inconsistent with, or a waiver of any of the provisions or conditions of the standard policy herein provided for), may be written upon or attached or appended to any policy issued on property in this state;

Provisions required by law to be inserted may be printed on policies with the approval of the commissioner.

III. A company, corporation or association organized or incorporated under and in pursuance of the laws of this state or elsewhere, if entitled to do business in this state, may, with the approval of the commissioner of banking and insurance, if the same is not already included in the standard form to be filed in the office of secretary of state, as provided for in the first section of this act, print on its policies any provisions which it is by law required to insert therein, if such provision is not in conflict with the laws of this state, or of the United States, or of the provisions of the standard form provided for herein; but said provision or provisions shall be printed apart from the other provisions, agreements or conditions of the policy, under a separate title, as follows: "provisions required by law to be stated in this policy."

Foreign fire insurance companies to do business in the state only through authorized resident agents.

123. SEC. 3. That it shall be unlawful for any fire insurance company, corporation or association whatsoever, to transact business in this state, except through duly-constituted and appointed agents resident therein, who shall be licensed by the commissioner of banking and insurance;

upon the full compliance by said foreign fire insurance company, corporation or association, with all the requirements of law, said license to be for the calendar year ending December thirty-first, and may be renewed annually thereafter, subject to the foregoing requirements.

124. SEC. 4. That the commissioner of banking and insurance may license any person as a broker to negotiate contracts of fire insurance for others than himself, for a compensation, by virtue of which license he may effect insurance with any domestic company, or negotiate such contracts and effect insurance with the agents resident in this state of any foreign company licensed to do business in this state, as provided in the act to which this is a supplement, but with no others; for such license he shall pay a fee of ten dollars, authorizing him thus to act until the thirty-first day of the next December; and on payment of a similar fee his license may be renewed from year to year, ending on the thirty-first day of December; whoever, without such license, assumes to act as such broker shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to imprisonment of not more than sixty days for each offense and to pay such fine as is provided for in this act.

Insurance
brokers, how
licensed.

Fee for license.

Penalty.

125. SEC. 5. That any fire insurance company, its officers or agents, or either of them, violating any provisions of this act, shall be guilty of a misdemeanor, and upon complaint made by the commissioner of banking and insurance, or by any citizen of this state, shall, upon conviction thereof, be punished by a fine of not less than twenty-five nor more than one hundred dollars for the first offense, and of not less than one hundred nor more than two hundred and fifty dollars for each subsequent offense, but any policy made, issued or delivered, contrary to the provisions of this act, shall, notwithstanding, be binding upon the company issuing the same.

Penalty for
violating act.

Amendatory act.

Approved April 26, 1894.

P. L. 1894, p. 153.

126. SEC. 1. That the second section of the act entitled "An act to provide for the regulation and incorporation of insurance companies," approved April ninth, one thousand eight hundred and seventy-five, be and the same is hereby amended so as to read as follows:

[That if it shall appear by the statement filed as aforesaid that the company or association is possessed of an actually paid-in and well-invested capital stock of at least one hundred and fifty thousand dollars over and above all claims and liabilities, and has paid the tax hereinafter provided for, then the commissioner of banking and insurance shall issue a certificate of authority to the company for the transaction of business and allowing agencies to be established in this state; *provided*, that companies organized to do a glass insurance exclusively, or companies making insurance against injury, disablement or death of persons resulting from traveling or general accidents, but not the insurance of persons against loss or damage resulting from accident to or injury suffered by an employe or other person, and for which the person insured is liable, shall not be required to have a greater capital than one hundred thousand dollars.]

When commis-
sioner of banking
and insurance
shall issue certifi-
cate of authority
to transact busi-
ness to insurance
company.

Proviso.

127. SEC. 2. That all acts and parts of acts inconsistent with the provisions of this act and an act entitled "An amendment to an act entitled 'An act to provide for the regulation and incorporation of insurance companies,' approved April ninth, one thousand eight hundred and seventy-five," which said amendatory act was approved April twenty-third, one thousand eight hundred and eighty-eight [P. L. 1888, p. 463], be and the same are hereby repealed, and that this act shall take effect immediately.

Repealer.

Supplement.

Approved April 30, 1894.

P. L. 1894, p. 157.

128. SEC. 1. That whenever any bond, undertaking or other obligation is by law, or the ordinances, rules or regulations of any municipality, board, body, organization or public officer required or permitted to be made, given, tendered or filed, with surety or sureties; and whenever the

Insurance com-
pany may act as
surety for any
municipality,
board, officer, &c.

Bond or obligation shall be accepted as complying with all these requirements.

Company shall possess certain qualifications.

performance of any act, duty or obligation, or the refraining from any act is required or permitted to be guaranteed, such bond, undertaking, obligation or guaranty may be executed by a company qualified to act as surety as herein provided; and such execution by such company of such bond, undertaking, obligation or guaranty shall be in all respects a full and complete compliance with every requirement of every law, ordinance, rule or regulation that such bond, undertaking, obligation or guaranty shall be executed by one surety or by two or more sureties, or that such sureties shall be residents or householders or freeholders, or either or both, or possess any other qualification; and all courts, judges, heads of departments, boards, bodies, municipalities and public officers of every character may accept and treat accordingly such bond, undertaking, obligation or guaranty when so executed by such company as conforming to, and fully and completely complying with every such requirement of every such law ordinance, rule or regulation; such company to be qualified to so act as surety shall be authorized under its charter to execute such bond, undertaking, obligation or guaranty, or to guarantee the fidelity of persons holding places of public or private trust and to guarantee the performance of contracts other than insurance policies, and to execute and guarantee bonds and undertakings required or permitted in actions or proceedings or by law allowed; and shall also be authorized to do business in this state; its liabilities shall not exceed its assets, but in estimating such liabilities there shall be charged only its capital stock, its outstanding debts and a premium reserve equal to fifty per centum of the annual premium on all outstanding risks then in force; and in estimating its assets there shall be allowed only such assets as are authorized under laws existing at the time. [See Sec. 93, *ante*.]

129. SEC. 2. [Amended by Sec. 132, *post*.]

Supplement.

Passed May 3, 1894.

P. L. 1894, p. 206.

Insurance companies shall not discriminate between white and colored persons.

130. SEC. 1. That no life insurance company doing business in this state shall make any distinction or discrimination between white persons and colored persons, wholly or partially of African descent, as to the premiums or rates charged for policies upon the lives of such persons, or in any other manner whatever, nor shall any such company demand or require a greater premium from such colored persons than is, at that time, required by such company from white persons of the same age, sex, general condition of health and prospect of longevity; nor make or require any rebate, diminution or discount upon the amount to be paid on such policy in case of death of such colored person insured; nor insert in the policy any condition, nor make any stipulation whereby such person insured shall bind himself or his heirs, executors, administrators and assigns to accept any sum less than the full value or amount of such policy in case of a claim accruing thereon by reason of the death of such person insured, other than such as are imposed on white persons in similar cases; and any such stipulation or condition so made or inserted shall be void, but this act shall be applicable only to contracts of insurance issued on the lives of persons resident in this state at the time the application for such insurance shall be made, and nothing in this act shall be so construed as to require any agent or company to take or receive the application for insurance of any person or to issue a policy of insurance to any person.

Applicable only to life insurance of residents.

Penalty for violating act.

131. SEC. 2. That the violation of any part of the first section of this act shall be deemed a misdemeanor, and the party or parties violating the same shall, upon conviction thereof, be subject to a fine of not less than fifty dollars nor more than five hundred dollars.

Supplement.

Approved May 15, 1894.

P. L. 1894, p. 315.

132. SEC. 1. That the [second] section of an act approved April thirtieth, one thousand eight hundred and ninety-four, and entitled "A further supplement to the act entitled 'An act to provide for the regulation and incorporation of insurance companies' [Revision], approved April ninth, one thousand eight hundred and seventy-five," which second section reads as follows [see Sec. 129, *ante*], is hereby amended so as to read as follows :

[That all acts and parts of acts inconsistent with this act be and the same are hereby repealed, except that the provisions of this act shall not repeal, alter, abrogate or interfere with any of the provisions of an act of the legislature of this state entitled "A further supplement to an act entitled 'An act for the incorporation of safe deposit and trust companies,' approved April twentieth, one thousand eight hundred and eighty-five," which further supplement was approved April twenty-sixth, one thousand eight hundred and ninety-four.]

Repealer shall not apply to supplement to act incorporating safe deposit and trust companies.

Supplement.

Approved March 21, 1895.

P. L. 1895, p. 413.

133. SEC. 1. That any insurance company not organized under the laws of this state and doing business under or by virtue of the laws of any other state or territory of the United States or District of Columbia or foreign country for the purpose of insuring the lives of domestic animals upon the mutual or co-operative assessment plan, may be admitted to transact business in this state by obtaining a certificate of authority from the commissioner of insurance of this state as hereinafter provided ; such foreign corporation or association shall furnish to the commissioner of insurance of this state satisfactory evidence that such company has bona fide insurance in force among its members to the amount of not less than three hundred thousand dollars, and shall furnish to the commissioner of insurance of this state a certified copy of its articles of association or charter and its by-laws, together with a sworn statement of its business of the preceding year, giving in detail the same information as is required by annual statements of like corporations organized under the laws of this commonwealth, together with a copy of its certificate or policy and certificates under oath of its president and secretary that it has in force policies of insurance on which the proceeds of one assessment not exceeding in amount one and one-half per centum of the face value of policy will pay the highest amount insured upon the life of each animal for which the assessment is levied, the full amount agreed to be paid upon the death of any one animal, and that it is paying, and for the twelve months preceding has paid, the highest amount named in its policies or certificates in full ; such foreign corporation or association shall also appoint some citizen and resident of this state its attorney, upon whom all process against said corporation or association may be served, and shall also agree that such service may be made upon the commissioner of insurance of this state, who shall be deemed its agent for that purpose, and shall also file with the commissioner of insurance for this state a certified copy of resolution adopted at a special or regular meeting of the board of directors of the corporation or association authorizing the appointment of such attorney ; and such agent or commissioner shall immediately mail to the secretary of the corporation or association a certified copy of the process thus served ; such foreign corporation or association shall also furnish to the commissioner of insurance of this state a certificate from the insurance department, if any, of its home state or territory of the United States, or District of Columbia, or foreign country, that it is authorized to do business in such home state or territory of the United States, or District of Columbia, or foreign country.

Foreign live stock insurance companies may be admitted to do business in this state upon complying with certain conditions.

134. SEC. 2. That upon compliance with the provisions of the preceding section and the payment to the commissioner of insurance, for the use of the state, a fee of one hundred dollars, he shall issue to the corporation or association so complying a certificate of authority to do business in this

When conditions have been complied with and fee paid, certificate of authority may issue.

commonwealth for a period of one year from the first day of January of the year of its issue unless the same be sooner revoked.

No person to act as solicitor or agent of unauthorized company.

135. SEC. 3. That no person shall, within this state, act as agent, solicitor, officer, trustee or otherwise, in receiving or procuring application for live stock insurance in any assessment or co-operative corporation or association, and no person shall collect, receive or remit any money or assessment or otherwise for any company not authorized to do business in this state, and any person who shall violate any of the provisions of this section shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall, for each offense, be punished by a fine not exceeding five hundred dollars and cost of prosecution or by imprisonment in the county jail not to exceed three months, or both such fine and imprisonment, in the discretion of the court.

Penalty.

When business year shall close.

136. SEC. 4. That the business year of every corporation or association doing business in this state under and by virtue of the provisions of this act shall close on the thirty-first day of December in each year, and every such corporation or association shall within sixty days thereafter prepare, under oath of the president and secretary, and file in the office of the commissioner of insurance of this state a detailed statement, showing its assets, how invested, liabilities, receipts from assessments and all other sources, and an itemized account of all expenditures, amount of policies or certificates in force, death losses and benefits paid, death losses reported, but not paid, death losses contested, and that it still has in force among its members bona fide insurance to the amount as required by section one of this act, and shall answer such other questions as the commissioner, who shall furnish blanks for the purpose, may require, in order to ascertain its true financial condition, and the commissioner may at any time make or cause to be made an examination of the affairs of any such corporation or association doing business under this act at the expense of such corporation or association.

Corporation shall file detailed annual statement.

When certificate of authority may be renewed.

137. SEC. 5. That upon the filing of any annual statement, if the commissioner shall find that the corporation or association making the same is still organized and doing business in conformity to the provisions of this act, he shall, upon the payment of the fee of one hundred dollars, as hereinbefore provided, issue his certificate authorizing such corporation or association to do business in this commonwealth for a further period of one year, unless sooner revoked.

Proceedings when any company is found to be violating act.

138. SEC. 6. That whenever any corporation doing business under or by virtue of the provisions of this act shall fail to make the annual statement required by this act, or whenever the commissioner of insurance shall, after a full examination of its affairs, find sufficient evidence that such corporation or association is conducting its business fraudulently, or not in compliance with the provisions of this act, or is not carrying out its contracts with its members in good faith, he shall immediately report to the attorney-general such evidence and copies of any papers, statements or reports in his office relating to the matter; upon receiving such papers, evidence, statements and reports, the attorney-general, if he is satisfied from the evidence, papers, statements and reports that such corporation is conducting its business fraudulently, or not in compliance with the provisions of this act, or is not carrying out its contracts with its members in good faith, shall immediately notify the corporation or association to cease doing business in this state, under penalties prescribed by law; he shall also instruct the prosecuting attorney of the proper counties to prosecute for all violations of this act.

What the policy or certificate of insurance shall specify and set forth.

139. SEC. 7. That every policy or certificate issued to policy or certificate holders in this commonwealth by any corporation or association doing business under the provisions of this act, shall specify the sum which the insured shall be entitled to recover upon the death of the animal or animals described in said policy or certificate, and shall set forth a definite time for the payment of losses so incurred; no policy or certificate issued by any corporation or association doing business under the provisions of this act shall be canceled for the non-payment of any assessment without first hav-

ing given notice by letter to the holder of such policy or certificate, at his or her last-known post-office address, the following notice: You are hereby notified that an assessment of _____ per centum, amounting to _____ dollars, levied upon you _____, has not been paid; unless the amount due for said assessment is paid within ten days from the date hereof, your policy or certificate will be canceled.

A further supplement to an act entitled "An act to regulate the business of fire, life, accident, marine and live stock insurance, by companies or associations not incorporated by this state," approved April ninth, eighteen hundred and sixty-seven.

Approved April 9, 1875. P. L. 1875, p. 108.

140. SEC. 1. That it shall not be lawful for any insurance company of any kind whatsoever, not incorporated under or by virtue of the laws of this state, itself or by its agents, surveyors, canvassers, or other representative of whatever designation, nor for any such agent, canvasser or representative of, nor for any person on behalf of any such insurance company to open or maintain any office, or in any manner, directly or indirectly, transact any business of insurance within this state, notwithstanding such business may be transacted wholly with citizens of other states, without having previously complied with the provisions of the act to which this is a supplement, and the various supplements thereto. (a)

No foreign company, nor any person for them, shall effect insurance before compliance with law.

141. SEC. 2. That if by virtue of the law of any state or nation, or by any rule, regulation or requirement of the officer charged with the execution of the insurance laws of any such state or nation, any certificate of the secretary of state of this state, in any wise relating to the business or condition of any insurance company of this state transacting business or applying for authority to transact business in any such state or nation, shall be refused or not recognized, then it shall be the duty of the secretary of state of this state to refuse to accept any certificate of such officer of another state or nation, in any wise relating to the business or condition of any insurance company of such state or nation, transacting business or applying for authority to transact business in this state, and any insurance company of such other state or nation, transacting business or applying for authority to transact business in this state, shall be subject to the same rules, regulations, exactions, examinations, and in the case of life insurance companies, to the same valuation of policies, and in every other respect to the same requirements as by the act to which this is a supplement and the various supplements thereto, are imposed upon insurance companies of this state; and it shall not be lawful for any insurance company of such other state or nation, itself or by its agents, or otherwise, or by any person on behalf thereof, directly or indirectly, to transact any business of insurance within this state, without having fully complied with the provisions of this act.

Certificates of officers of other states to be received as such states receive certificates from this state.

142. SEC. 3. That the penalty for every violation of this act shall be five hundred dollars, to be sued for and collected, on complaint, in the name of the state, by the prosecutor of the pleas for the county where the offense shall have been committed; and the person or persons against whom a judgment shall be obtained, shall be committed to the county jail until such fine and costs are paid or otherwise discharged; and one-half of said penalty, when recovered, shall be paid to the charitable fund of any fire department in said county, and the other half to the complainant.

Penalty for violation of this act.

(a) Where a contract of insurance was made in Pennsylvania between an insurance company of that state and the defendant, upon property in this state, the contract will, by comity, be enforced here, although the agent in this state, to whom applica-

tion for insurance was made, had not complied with the statute of this state concerning foreign insurance companies. *Northampton Mutual Live Stock Ins. Co. v. Tuttle*, 11 Vr. 476.

II. Miscellaneous acts.

An act relative to the names of insurance companies.

P. L. 1879, p. 113.

Approved March 11, 1879.

No insurance company to use name of any existing company.

143. SEC. 1. That no fire, life, marine or other insurance company hereafter organized under the laws of this state shall have or use a corporate name or title which shall, at the time of such organization, be used to designate any fire, life, marine or other insurance company already existing under the laws of this state, or of any other state authorized to do business in this state; and it shall be the duty of the secretary of state to reject any name which he shall deem to be so nearly similar to any already in use as aforesaid as to lead to confusion or uncertainty on the part of the public.

Certificate of authority to be withheld from certain companies.

144. SEC. 2. That it shall be the duty of the secretary of state to withhold any certificate of authority for the transaction of business within this state, now required by law to be made by him, from any insurance company hereafter to be organized under the laws of this state, and from any insurance company organized under the laws of any other state, hereafter applying for authority to transact business within this state, which shall not comply with the provisions of this act.

An act to prevent the making and publication of false or deceptive statements in relation to the business of insurance.

P. L. 1879, p. 215.

Approved March 14, 1879.

Advertisements of assets and capital to include liabilities.

145. SEC. 1. That whenever any insurance company or association doing business in this state advertises its assets, it shall in the same connection and equally conspicuously advertise its liabilities, the same to be determined in the manner now required in making the annual statements to the secretary of state; and all advertisements purporting to show the capital of such companies or associations shall exhibit only the amount of such capital as has actually been paid up in cash; all policies, renewals, signs, circulars, cards or other means by which public announcements are made, shall be held to be advertisements within the meaning of this act.

Penalty for violating act.

146. SEC. 2. That any such company or association, or any agent thereof, issuing or circulating advertisements which are not in conformity with the limitations and requirements of the preceding section of this act, shall be liable to a fine not less than fifty dollars, nor more than five hundred dollars, and it is hereby made the duty of the secretary of state to enforce the provisions of this act.

An act to regulate the elections of insurance companies in this state.

P. L. 1879, p. 283.

Approved March 14, 1879.

Proxy not to be voted on if executed more than one year prior to election.

147. SEC. 1. That hereafter at the election of directors, managers or other officers of any insurance company in the state, whether such company exists under the general law of this state or under special charter granted by the legislature of the state, every voter may vote in person or by proxy, but no proxy of any person entitled to vote at such election shall be voted on, allowed or received which shall, at the time of such election, have been executed more than one year prior to such election. [See Sec. 79, *ante*.]

Notice of election to be given.

148. SEC. 2. That due notice, as required by the laws of the state, or charters and by-laws of the companies, shall be given to those entitled to vote at such elections of the time and place of holding such election and of the directors and officers to be elected.

Penalty for failure to comply with provisions of this act.

149. SEC. 3. That upon the willful failure to comply with the provisions of this act by any officer of any insurance company present and officiating, whose duty it may be to act in the premises, such officer shall forfeit and become liable to pay the sum of five hundred dollars as a penalty for such

failure, the same to be sued for and collected by the attorney-general in the name and for the use of the state, and such election shall be declared null and void.

An act to authorize the merging of insurance companies.

Approved March 14, 1879. P. L. 1879, p. 289.

150. SEC. 1. That any two insurance corporations organized under any law of this state are hereby authorized to merge in manner following: the directors of any two such corporations may enter into and make an agreement under their respective corporate seals for the merger of one of said companies into the other of them, prescribing the terms and conditions thereof, the mode of carrying the same into effect, the amount of capital and number of shares of the stock into which the same is to be divided (which capital shall not be larger in amount than the aggregate amount of capital of the two companies), with such other particulars as they may deem necessary, not inconsistent with the provisions of the said last-named act and the acts amending and extending the same, and which agreement shall be subject to the approval of the commissioner of insurance.

Mode of procedure for merging companies.

151. SEC. 2. That such agreement of the directors shall not be deemed to be the agreement of the said corporations so proposing to merge one into the other until the assent of one-half of the stockholders, owning two-thirds of the stock of each of said companies so proposing to become merged into one, be obtained; and when such agreement of the directors has been sanctioned and approved by one-half of the stockholders of each of said companies, owners of two-thirds of the stock thereof, in the manner hereinafter prescribed, then such agreement of the directors shall be deemed to be the agreement of the said corporations, and such assent in writing, or a duplicate thereof, attached to the said agreement, shall be evidence of the assent of such stockholders.

Consent to agreement by stockholders to be first had and obtained.

152. SEC. 3. That upon the making, sanctioning and approving of the said agreement in the preceding sections mentioned in the manner therein required, and the filing of the duplicates or counterparts thereof and of the assent in writing mentioned in the preceding section, with the approval of said commissioner, in the office of the clerk of the county where the principal office of the said corporation is located, and in the office of the commissioner of insurance, then and immediately thereafter the said corporations shall be merged in the corporation provided for in the said agreement, and the details of such agreement shall be carried into effect as provided therein; and it shall be lawful for said corporation to require the return of the original certificates of stock held by each stockholder in each of the companies, and in lieu thereof to issue new certificates for such number of shares of its own stock as the said stockholders may be entitled to receive.

When merger shall be effected.

New certificates to be issued.

153. SEC. 4. That upon the merger of any corporation in the manner herein provided, all and singular the rights, franchises and interests of the said corporation so merged, in and to every species of property, real, personal and mixed, and things in action thereunto belonging, shall be deemed to be transferred to and vested in such corporation as the other of them has become merged, without any other deed or transfer; and said last-named corporation shall hold and enjoy the same and all the rights of property, franchises and interests in the same manner and to the same extent as if the said corporation so merged should have continued to retain the title and transact the business of such corporation; and the title and real estate acquired by the said corporation so merged shall not be deemed to revert by means of such merger or anything relating thereto.

The rights, franchises and interests of merged company.

154. SEC. 5. That the rights of creditors of any corporation that shall be so merged shall not in any manner be impaired by any such merger, nor shall any liability or obligation for the payment of any money now due or hereafter to become due to any person or persons, or any claims or demand in any manner, or for any cause existing against any such corporation or against any stockholder thereof, be in any manner released or impaired,

Rights of creditors not to be impaired by reason of merger.

but such corporation into which the other shall become merged is declared to succeed to such obligations and liabilities, and to be held liable to pay and discharge all such debts and liabilities of the merged corporation in the same manner as if such corporation into which the other shall become merged had itself incurred the obligation or liability to pay such debt or damages, and stockholders of the respective corporations, so entering into such agreement shall continue subject to all the liabilities, claims and demands existing against them as such at or before such merger, and no suit, action or other proceeding then pending before any court or tribunal, in which any corporation that may be so merged is a party, shall be deemed to have abated or discontinued by reason of any such merger, but the same may be prosecuted to final judgment in the same manner as if the said corporations had not entered into the said agreement, or the said last-named corporation may be substituted in the place of any corporation so merged as aforesaid, by order of the court in which such action, suit or proceeding may be pending.

An act entitled "An act in relation to statements by foreign fire insurance companies."

P. L. 1884, p. 250.

Approved April 30, 1884.

Foreign fire insurance companies may make statement of business done in United States only.

Companies making no report of foreign business not to advertise same.

155. SEC. 1. That any foreign fire insurance company doing business within this state may, at its option, include in its statements to the secretary of state its foreign business and assets, but shall be required to return only the business done in the United States, and the assets held by or for it within the United States for the protection of policyholders therein.

156. SEC. 2. That a company which does not make a return to the secretary of state of its foreign business and assets shall not make any publication, announcement or advertisement of the same within this state.

An act to facilitate the collection from fire insurance companies not organized under the laws of this state, but doing business herein, and from agents and brokers, of certain premiums for the benevolent funds of the several duly-incorporated firemen's relief associations in this state.

P. L. 1885, p. 310.

Approved May 2, 1885.

Foreign fire insurance companies to report amount of premiums received to treasurer of firemen's relief associations, &c.

To pay tax on premiums to treasurer.

Act not to affect returns by agents or brokers.

Certificate of authority of company failing to comply with act to be revoked.

157. SEC. 1. That each fire insurance company, not organized under the laws of this state, that shall take insurance risks on property in this state, shall, on the first day of January and of July in each year, cause to be made to the treasurer of the duly-incorporated firemen's relief association of each city, town, borough, township or portion of a township, or fire district in which any property may be situated on which such company may have taken an insurance risk, a true return in writing, verified by the oath of an officer or representative of such company, showing the amount of all premiums received by such company, or agreed to be paid to said company, during the six months next preceding the respective times above set for the making of such returns, for insurance, by said company, against loss or injury by fire, upon property in such city, town, borough, township or portion of a township, or fire district; and such company shall, within one month after the respective times above provided for the making of said returns, pay to said treasurer the sum of two dollars upon each hundred dollars, and at that rate upon the amount of all such premiums received or agreed to be paid as aforesaid within said six months; and nothing herein contained shall in any wise alter or affect the making of such returns by any regularly-appointed agents of such fire insurance company, or by any brokers who may have placed any insurance in such company, nor the payment by them of such percentage, but any such payment, when brought to the notice of said company, may be accounted for by said company, under oath, and deducted from any payment made as aforesaid by said company; and if any such fire insurance company shall fail to comply with the foregoing provisions, or any of them, and if the same shall be reported to the secretary of state in writing, attested by the oath of the treasurer of any

duly-incorporated firemen's relief association in this state, the secretary of state shall forthwith revoke any certificate of authority issued to said company, and, until the provisions of this act shall have been complied with by such company, said company shall not have authority to transact further business in this state.

158. SEC. 2. That if any person residing or having an office or place of business in this state shall, in the capacity either of agent or broker, effect, or cause to be effected, any insurance, or shall receive any application for the effecting of insurance upon property in any city, town, borough, township or portion of a township, or fire district in this state, which now has, or may hereafter have, a duly-incorporated firemen's relief association, and directly or indirectly shall place such insurance or cause the same to be placed in any fire insurance company not organized under the laws of this state, such agent or broker shall make a return to the treasurer of the duly-incorporated firemen's relief association of the city, town, borough, township or portion of a township, or fire district, in which such property may be situated, on the first day of January and of July in each year, containing a just and true account, under oath of such agent or broker, of all premiums received by him, or by any other person for him, or agreed to be paid, during the six months next preceding the respective times above set for the making of such returns, for insurance against loss or injury by fire upon property in such city, town, borough, township or portion of a township, or fire district, which insurance shall have been placed by him, or by any other person for him, or at his request, in any fire insurance company not organized under the laws of this state; and such agent or broker shall, within one month after the respective times above provided for the making of said returns, pay to the said treasurer the sum of two dollars upon each hundred dollars, and at that rate upon the amount of all such premiums received or agreed to be paid as aforesaid within said six months.

Agents and brokers to make return to treasurer of relief association.

To pay tax on premiums.

159. SEC. 3. That each and every agent or broker, residing or having an office or place of business in this state, shall keep accurate books of account of all business done by him as such agent or broker, in which shall be put down the name of the insured, the date and expiration of the insurance, a description of the property insured, and a statement of its location, and the amount of the insurance, and of the premium paid therefor; and if any such agent or broker shall fail, neglect or refuse to comply with any of the provisions of this act, or in case any fraud or dishonesty in the returns (hereinbefore provided to be made by such agents and brokers) shall be apparent or become known, the treasurer of any duly-incorporated firemen's relief association that may be injured thereby may obtain an order from the presiding judge of the court of common pleas of the county in which such association may be located, compelling such agent or broker to produce in said court his books of account aforesaid for examination by said court.

Agents and brokers to keep account of business done.

160. SEC. 4. That each and every agent or broker as aforesaid who shall fail, neglect or refuse to keep such books of account as aforesaid, or to produce the same in the court of common pleas of any county in this state as aforesaid upon an order of said court, or shall fail, neglect or refuse to make proper and accurate returns as hereinbefore provided, or to pay over the percentage due upon any premium as aforesaid, at the time and in the manner specified in this act, or who shall be found, upon examination by said court, to have made a false return of the business done by him, shall, for each offense, forfeit and pay over to the treasurer of any duly-incorporated firemen's relief association that may be injured by such failure, neglect or refusal, or by the making of such false returns, the sum of five hundred dollars.

Penalty for failing to keep account, &c.

161. SEC. 5. That if any agent or broker shall fail, neglect or refuse to pay any percentage herein provided for, or to pay and satisfy any forfeiture or penalty adjudged to be due under the provisions of this act, and if the same shall be reported to the secretary of state in writing, attested by the oath of the treasurer of any duly-incorporated firemen's relief association

Certificate of authority of agent or broker failing to pay percentage, &c., to be revoked.

in this state, the secretary of state shall forthwith revoke any certificate of authority previously issued under which such failure, neglect or refusal shall have occurred, but such revocation of certificate shall not release any penalty or forfeiture previously incurred.

Distribution of moneys by secretary of state to firemen's relief associations.

162. SEC. 6. That all sums of money now in the hands of or that may hereafter be received by the secretary of state from fire insurance companies on account of the license and tax of two per centum, and of all payments in lieu of said tax, as now are or hereafter may be required by law to be paid by such companies, shall be by him distributed on or before the first day of July in each year, in equal shares to and among the treasurers of the several duly-incorporated firemen's relief associations in this state; and no firemen's relief association nor any of the officers thereof shall share in the distribution of nor be entitled to have or receive any part of said money unless it and they shall, on or before the first day of April in each year, file or cause to be filed with the secretary of state a sworn statement showing the names of its representatives, visitors or trustees and other officers, with the amount of their respective fees or salaries, if any, also the names of its beneficiaries during or within the year next preceding such statement, the amount of money paid to each of such beneficiaries, also the receipts and expenses during such year, such expenses to be stated in detail, and the amount of money and other property in its possession at the date of making such statement, and how said money is invested or secured or where it is deposited; and the secretary of state shall annually make a complete report to the comptroller of the amount of money distributed by him in accordance with the provisions of this act.

Associations not entitled unless sworn statement filed.

Annual report by secretary of state.

Certain moneys and property in possession of person, corporation, &c., to be paid to relief association.

163. SEC. 7. That in case, in any wise howsoever, any person or persons association or corporation, board or council shall have in possession or charge any such moneys, or any balance thereof, or any property purchased therewith, or any securities in which the same may have been invested, or if any person or persons, association or corporation may be indebted for the loan or deposit of such moneys, other than the duly-incorporated firemen's relief associations in this state, or the treasurers thereof, then and thereafter, upon the legal organization and incorporation, by the active and exempt firemen of any city, town, borough, township or portion of a township or fire district of a firemen's relief association, or in case there shall already be therein any duly-incorporated firemen's relief association, organized by such active and exempt firemen, there shall forthwith be paid over, assigned and conveyed to such firemen's relief association any money, accounts payable, property and securities, remaining in possession or charge of any person or persons, association or corporation, board or council whatever, for its use or otherwise, or any money, property or securities to which it may be entitled, at law or in equity, derived as aforesaid, and an account shall be given therewith of all moneys theretofore had and received by it or them, from the sources aforesaid, and of the disposition thereof, and all such moneys expended by it or them, other than for the benefit of indigent or disabled firemen or their families, shall also be paid over to such firemen's relief association on demand; *provided*, that this act shall not apply to or in any manner affect any funds which may have been or may hereafter be accumulated by any association heretofore organized by the exempt firemen of any city in this state, or by the volunteer firemen therein previous to or at or about the time of the organization therein of a paid fire department.

Proviso.

Act not to alter reciprocal legislation between different states.

164. SEC. 8. That this act shall not alter or abridge any reciprocal legislation existing between the different states of the United States, in regard to the percentage of taxes collected by the insurance department of this state, but said amount of premiums paid by any insurance company to the treasurer of any duly-incorporated firemen's relief association in this state shall be deemed a part of said reciprocal tax to be collected by the insurance department of this state.

165. SEC. 9. That all acts and parts of acts inconsistent with this act, and especially the act entitled "An act to facilitate the collection of certain premiums for the benevolent funds of fire departments of cities from fire insurance companies not organized under the laws of this state, but doing business herein," approved March fourteenth, one thousand eight hundred and seventy-nine (P. L. 1879, p. 284), and the several supplements thereto, approved respectively March first, one thousand eight hundred and eighty (P. L. 1880, p. 63); March twelfth, one thousand eight hundred and eighty-one (P. L. 1881, p. 103); March twenty-fifth, one thousand eight hundred and eighty-one (P. L. 1881, p. 233), and May fourteenth, one thousand eight hundred and eighty-four (P. L. 1884, p. 344), be and the same are hereby repealed, and that this act shall take effect immediately.

Acts repealed.

An act to authorize the formation of companies for mutual protection against damage to glass by hail.

Approved March 29, 1887.

P. L. 1887, p. 57.

166. SEC. 1. That any number of persons not less than seven in number may associate and form an incorporated company for mutual protection against loss or damage to glass by hail, and for that purpose shall make, acknowledge and file, in the manner hereinafter mentioned, a certificate, in writing, of their organization, signed by all the corporators, expressing their intention and desire to form a company for the purposes aforesaid, and setting forth :

Companies for protection against loss or damage to glass by hail may be formed.

- I. The name of such company to be used in its dealings and business ;
- II. The place where the principal office of said company is located and its general business conducted ;
- III. The names and residences of the corporators ;

IV. The period at which such company shall commence and terminate, not exceeding thirty years, which certificate shall be proved or acknowledged and recorded as required of deeds of real estate, in the office of the clerk of the county where the principal office of said company is to be located, and after being so recorded, shall be filed in the office of the secretary of state ; and upon the making and filing of said certificate, such company shall be deemed and taken to be a corporation in fact and in law, with all the powers mentioned in the first section of the act entitled "An act concerning corporations."

167. SEC. 2. That the members of said company shall consist of such persons as shall from time to time be insured therein and shall have duly paid their regular membership fee and such sums by way of annual or periodical dues as shall be determined and provided in the constitution or by-laws of said company.

Who shall be members thereof.

168. SEC. 3. That every company formed under this act shall adopt a constitution and such by-laws for the government and management of its business as its members shall deem proper ; *provided*, the same shall not contravene the laws or constitution of this state or the United States.

Constitution and by-laws may be adopted.

169. SEC. 4. That every member shall be entitled to one vote at an election for directors or at any meeting of the members of said company, which vote may be given in person or by proxy.

Who entitled to vote for election of directors.

170. SEC. 5. That the business of such company shall be managed by a board of not less than seven directors, one of whom, at least, shall be residents of this state, who shall hold their office for one year and until their successors shall be appointed, and who shall be chosen by the members of said company at such times as shall be provided in the by-laws.

Business to be managed by board of directors.

171. SEC. 6. That it shall be lawful for said company to require and levy assessments to pay losses incurred, in such way and manner as may be deemed necessary, and any member failing to observe and pay the same, or failing to pay the annual or periodical dues as required by the general regulations of said company, shall forfeit and lose his membership and all interest in said company.

Authorized to levy assessments to pay losses incurred, &c.

What to constitute the fund for payment of losses or damages incurred.

172. SEC. 7. That the membership fees, annual and periodical dues, and such assessments as shall from time to time be levied, shall, after deducting the necessary expenses of management, be the fund out of which members insured shall receive payment for loss or damage to glass incurred by hail, and such moneys shall be collected and paid, and proofs of loss shall be made under such regulations and rules as shall be provided in the constitution and by-laws of said company.

An act to facilitate the business of mutual fire insurance companies.

P. L. 1887, p. 72.

Mutual fire insurance company may elect vice president.

Approved March 30, 1887.

173. SEC. 1. That it shall be lawful for all mutual fire insurance companies, organized under the laws of this state, to choose from their board of directors, at the time of their annual election, in the same manner as the president is elected, one vice president, who shall be authorized and empowered, in case of the death or disability of the president of any such company, to sign policies and perform all other acts which devolve upon the office of president, during the continuance of such disability, or until the election of a new president by such company, or as provided by the by-laws of such company.

An act to permit mutual live stock insurance companies to extend their business territory,

P. L. 1888, p. 46.

How live stock insurance companies may extend or increase their business territory.

Approved February 15, 1888.

174. SEC. 1. That any mutual live stock insurance company incorporated under any law of this state, which is by its charter or certificate of incorporation restricted as to territory within this state, in which it is authorized to do business, may increase or extend the territory in which it may do business by filing in the office of the secretary of state a certificate, signed by the president and directors of such company, stating the boundaries of the territory within this state in which it is proposed to transact the business of said company; and upon the filing of such certificate it shall be lawful for such company to do business within the territory the boundaries of which are therein stated, and the certificate of the secretary of state that such certificate has been filed in his office shall be taken and accepted as evidence in any court of this state of the authority for such company to do business within such territory.

An act defining the powers of the mutual fire insurance companies of this state.

P. L. 1888, p. 415.

Preamble.

Approved April 9, 1888.

WHEREAS, Doubts exist as to whether the mutual fire insurance companies of this state have power under their respective acts of incorporation to make an assessment or assessments for a sum beyond the precise amount of existing losses or expenses, and it is found to be impracticable to make such assessments upon the numerous members of said companies to meet small losses and expenses as the same accrue, the costs incident to the making of which would often exceed the amount of loss or losses to be paid thereby; for remedy whereof and for the better securing the meaning and construction of said acts of incorporation; therefore,

Regulations concerning assessments by mutual companies in cases of loss by lightning, wind or tornadoes.

175. SEC. 1. That whenever the directors of any mutual fire insurance company shall have occasion to assess or settle and determine the sums to be paid by the several members of said company for loss by fire or damage by lightning, wind-storms or tornadoes, or for such incidental expenses as shall be necessary for transacting the business of said company, or either one or all of them, the said acts of incorporation shall be so construed as not to limit the amount of the assessment by the precise amount of existing losses and expenses, but the said assessment against the several members of said company may, in the discretion of said directors, exceed the amount of such existing losses and expenses; *provided*, the same is against

Proviso.

each member in proportion to the original amount of his or their deposit note or notes, and does not exceed twenty per centum of said deposit note, and the surplus moneys, if any, collected upon said assessment over and above what is necessary to pay existing losses and expenses, shall remain in the treasury of said company for the payment of such further loss or losses and expenses as may thereafter accrue, according to the provisions of its said act of incorporation; and the same proceedings, rights and remedies for the collection of such assessment, and the notes of the members of the said company, upon default made in the payment of said assessment, shall exist, as are given in and by their said act of incorporation. [See Sec. 85, *ante.*]

An act to provide for the further regulation of mutual fire assurance associations.

Approved February 25, 1889.

P. L. 1889, p. 23.

176. SEC. 1. That it shall be lawful for the directors for the time being of any mutual fire assurance association, whether organized under any general or special law of this state, to borrow money to an amount not exceeding the sum of twenty-five thousand dollars, for and on behalf of said association and in the name thereof, to pay losses and expenses for which the association has or hereafter may become liable, and to raise moneys by assessments to pay the sums so borrowed, in the same manner as they are now authorized and directed to raise money to pay losses.

Mutual fire insurance company may borrow money to pay losses.

177. SEC. 2. [Amended by Sec. 182, *post.*]

178. SEC. 3. That whenever the liabilities of any mutual fire assurance association shall amount to the sum of twenty-five thousand dollars, it shall be the duty of the board of directors thereof to raise money by assessment to pay the same, and on neglect or refusal so to do, after sixty days' notice from the treasurer that the said liabilities amount to the sum of twenty-five thousand dollars, the said directors so neglecting or refusing shall be personally liable to pay the said liabilities to the person or persons to whom the same may be due; *provided*, that until the liabilities of any such association reach the sum of twenty-five thousand dollars, the directors thereof shall neither be personally responsible for their payment nor obliged to make an assessment to raise money to pay the same.

When liabilities exceed certain amount, board of directors to make assessment.

Proviso.

179. SEC. 4. That it shall be lawful for the directors of any mutual fire assurance association, whether organized under any general or special law of this state, to offer, in the name of said association, such sum or sums of money as in their judgment is proper, as rewards for the apprehension and conviction of any person or persons who shall burn or cause to be burned any property on which said association has a policy of insurance in force, and to raise the money necessary to pay said reward or rewards and pay the same, in the same manner as they are now or may hereafter be authorized to raise and pay moneys for losses.

Directors may offer rewards for apprehension and conviction of persons burning property.

180. SEC. 5. That it shall be lawful for any mutual fire assurance association, whether organized under any general or special law of this state, at the time of issuing its policy of insurance, with the assent of the insured, to make the whole or any part of the loss which may occur under said policy payable to any person or corporation, other than the insured, who may have an interest in said property, and to make indorsement thereof on the said policy; and that where the assent of the insured to such appropriation of the money to be paid in satisfaction of any loss that may occur under said policy is indorsed on the application for insurance or survey of the property insured, it shall constitute a part of such application or survey, and be sufficient authority to the association for the issuance of said policy in the manner therein prescribed.

May issue policies payable to others than the insured.

Assent of insured on application, authority for issuing of policies.

181. SEC. 6. That all acts and parts of acts inconsistent with this act be and the same are hereby repealed, and that this act shall take effect immediately.

Repealer.

Supplement.

Approved February 27, 1895.

P. L. 1895, p. 139.

182. SEC. 1. That section two of the act to which this is a supplement, which reads as follows [see Sec. 177, *ante*], be amended so as to read as follows :

Assessment may be made at discretion of directors.

[That it shall be lawful for the directors of any mutual fire assurance association, whether organized under any general or special law of this state, whenever they make an assessment, to assess over and above the amount of the losses and liabilities existing and unpaid at the time of making said assessment, any sum which the directors in their discretion may determine ; *provided*, that the assessment shall be made against each member in proportion to the amount of insurance upon which such member is liable to assessment by the rules and regulations of such association, not to exceed one per centum of the amount of insurance or in proportion to the original amount of his or their deposit note or notes, which are assessable according to the constitution and by-laws of the association making the assessment, and in the latter case does not exceed twenty per centum of said deposit note, and the surplus, if any, collected upon said assessment shall be placed in the treasury of said company and be used only for the payment of losses and expenses, according to the provisions of its said act of incorporation ; and the same rights and remedies shall exist for the collection of such assessment as are given in and by the act of incorporation of the association making the same for the collection of the assessments therein provided for.]

Proviso.

Assessment not to exceed certain percentages.

Surplus shall be placed in the treasury.

An act to provide for the imposition of additional state taxes upon life insurance corporations, and for the collection thereof.

Approved February 10, 1891.

P. L. 1891, p. 20.

Preamble.

WHEREAS, The revenue derived from the state under existing legislation is insufficient, the public interests demanding an increase of state taxes upon life insurance companies ; *and whereas*, it is undesirable to impose any taxation for state purposes on life insurance companies not incorporated under the laws of this state but doing business therein, because, by reason of the operation of reciprocal or retaliatory legislation of other states the companies of this state would be compelled to pay a much greater amount of taxation to other states than would be collected from such companies of other states by this state ; *and whereas*, such companies of this state are willing to bear the entire burden of such taxation, provided such companies of other states be relieved therefrom ; therefore,

Certain state taxes and charges abolished.

183. SEC. 1. That all state taxes or charges in lieu of taxes, which are now imposed by any law of this state upon life insurance companies incorporated by other states of the United States, except such taxes and charges as may be imposed by the reciprocal or retaliatory laws of this state, are hereby abolished ; and so much of any act or acts imposing any such taxes or charges is hereby repealed.

Franchise tax to be hereafter paid by all life insurance companies

184. SEC. 2. That as a substitute for such taxes and charges hitherto imposed upon companies of other states, all life insurance companies of this state shall pay, in addition to the one per centum tax on surplus imposed by the act entitled "An act to provide for the imposition of state taxes upon certain corporations and for the collection thereof," approved April eighteenth, one thousand eight hundred and eighty-four, a further annual franchise tax of thirty-five one-hundredths of one per centum upon the total gross insurance premiums collected by such companies of this state during the year ending December thirty-first next preceding ; *provided*, that any taxes, or charges in lieu of taxes, that may hereafter be collected by this state from life insurance companies of other states shall be credited in rebate of the taxes hereby imposed on companies of this state, in proportion to the several amounts payable by the several companies of this state under this act ; the commissioner of insurance shall ascertain and report to the state board of assessors all facts necessary to enable the said board to ascertain and fix the amount of taxation to be paid by life insur-

Proviso.

Commissioner of insurance to report to state board of assessors rebate allowed.

ance companies under this act, and shall ascertain and report to said board the amount of rebate to be allowed to said companies as herein provided, and shall also certify to each of said companies the amount of such taxation and the rebate allowed under this act.

185. SEC. 3. That all the provisions relating to the assessment and collection of the tax provided in said act, approved April eighteenth, one thousand eight hundred and eighty-four, and the remedies therein contained in the event of non-payment, shall, so far as may be, be applicable for the enforcement of this act.

Provisions of act of April 18th, 1884, shall be applicable for the enforcement of this act.

186. SEC. 4. That this act shall take effect immediately, and this act shall be subject to alteration or repeal by the legislature.

This act may be altered or repealed.

An act relating to assessment insurance.

Approved March 17, 1883.

P. L. 1888, p. 389.

187. SEC. 1. That any corporation or association organized under the laws of any other state of the United States for the purpose of furnishing life insurance upon the assessment plan, or that is carrying on the business of life insurance upon the assessment plan, may be authorized by the commissioner of banking and insurance to transact business in this state when it shall have deposited with him a certified copy of its charter or articles of incorporation; a statement under oath, of its president and secretary, in the form required by the commissioner of banking and insurance, of its business for the year ending December thirty-first last preceding; a certificate under oath of its president and secretary, that it is paying, and for the twelve months then next preceding has paid, the maximum amount named in its policies or certificates in full, and that it does not issue policies or certificates of life insurance upon lives of persons more than sixty-five years of age, nor upon any life in which the beneficiary named has no interest; a copy of the application for membership or insurance and of the by-laws, also a copy of the form of policy or certificate of membership, and of each form thereof if more than one form is used; a certificate from the insurance commissioner or other like officer charged with the duty of executing the insurance laws of the state where said corporation or association is organized, certifying that it is legally entitled to do business; evidence satisfactory to the commissioner of banking and insurance that the corporation or association has accumulated and maintains a reserve or emergency fund not less than the proceeds of one death assessment or periodical call on all policy or certificate holders thereof, and at least equal to the amount of its maximum policy or certificate; that such accumulation is permitted by the law of its incorporation, and is a trust for the benefit of policy or certificate holders only, and is securely invested.

Foreign life insurance companies doing business on the assessment plan may be authorized to transact business in this state on certain conditions

188. SEC. 2. That after authorizing such corporation or association to do business in this state as provided in this act, the commissioner of banking and insurance shall issue certificates to agents thereof, to be designated by the corporation or association authorizing them to act as such agents, which certificates shall be renewed annually on the first day of January, or within sixty days thereafter.

Certificates issued to agents to be renewed annually.

189. SEC. 3. That it shall not be lawful for any corporation or association organized under other authority than the laws of this state, for the purpose of furnishing life insurance upon the assessment plan, to do any business in this state or for any person to act within this state as agent in soliciting, procuring, receiving or transmitting any application for membership or insurance, in or for, or on behalf of any such corporation or association, unless such corporation or association shall be authorized to do business in this state under this act, and such agent shall have received a certificate of authority from the commissioner of banking and insurance as herein provided.

Unlawful to do business or act as agent unless authorized by certificate of commissioner of banking and insurance.

190. SEC. 4. That whenever the commissioner of banking and insurance deems it prudent, for the protection of the policy or certificate holders in this state, he may visit and examine, or cause to be visited and examined by some competent person or persons he may appoint for that purpose, any

When and by whom an examination into the affairs of such company may be made.

When certificate of authority may be revoked.

such foreign assessment insurance corporation or association applying for admission or doing business in this state, and the necessary expense of any such examination made or ordered to be made by said commissioner shall be certified to by him and paid by the corporation or association so examined; and if, upon such examination or otherwise, the commissioner of banking and insurance shall be satisfied that any such corporation or association is not paying in full the maximum amount named in its policies or certificates, or that it is conducting its business fraudulently, or that it is not carrying out its contracts with its policy or certificate holders in good faith, it shall be his duty to refuse such application for admission or forthwith to revoke all authority previously given to such corporation or association and all its agents, to do business in this state, and shall publish such revocation in some newspaper or newspapers published therein, and no business shall be thereafter done by such corporation or association or its agents in this state.

On failure to reply to inquiries under oath authority may be revoked.

191. SEC. 5. That the commissioner of banking and insurance is hereby authorized and empowered to address any inquiries he may deem proper to any corporation or association which may be authorized to do business in this state under the provisions of this act, in relation to its business or condition, and it shall be the duty of the officers of such corporation or association so addressed to promptly reply in writing to all such inquiries under the oath of its president or secretary or other like officers, and, in case of a failure or refusal of such officers to so reply, the commissioner of banking and insurance may suspend or revoke all authority to such corporation or association and all its agents, to do business in this state.

Every such company to designate principal office, &c., in this state.

192. SEC. 6. That every such corporation or association authorized to do business in this state under this act shall designate some place within the state as the principal office therein of such corporation, and some person residing in the same city, village or town where such office is located as a person upon whom service of legal process and papers may be made as upon such corporation; such designation shall be made by an instrument under the hand of the president and secretary or other duly-authorized officers of the corporation, and shall be filed with the commissioner of banking and insurance; if the person so designated shall die or remove from such place another person shall be appointed in his place within thirty days; and such attorney or location of principal office may, at the option of the corporation, be changed at any time; notice of such change or of a new designation of a person upon whom service may be made as herein provided, under the hand of such president and secretary or other officer, shall be filed with the commissioner within thirty days after such change or new designation is made; upon failure to comply with any of the provisions of this section within thirty days after written notice by the commissioner of such default and requiring such compliance, the corporation shall cease to do business in this state until it has complied therewith.

Upon failure to comply, shall cease to do business.

Who deemed to be an agent.

193. SEC. 7. That whoever solicits, procures, or receives in or transmits from this state any application other than his own, for membership or insurance in any corporation or association embraced by section three shall be deemed and held to be an agent of such corporation or association within the meaning of this act; and any person who shall transact business for any corporation or association embraced in section three, as an agent thereof within the meaning of this act, without first procuring and having a certificate of authority from the commissioner of banking and insurance to act as such agent, or after such certificate of authority has been suspended or revoked, shall be subject to a penalty of two hundred and fifty dollars, to be recovered by an action of debt, in the name of the state, on the complaint of the commissioner of banking and insurance, the first process in which action may be a *capias ad respondendum* and a defendant against whom a judgment shall have been rendered shall remain in custody until such penalty and costs shall be paid; and the expenses of such suit shall be paid by the said commissioner out of any moneys in his hands not otherwise appropriated.

Agent doing business without authority, or when certificate has been revoked, liable to penalty.

Penalty.

194. SEC. 8. That every corporation or association which may be doing business in this state under the provisions of this act, shall on or before the first day of March in each year make and file with the commissioner of banking and insurance a report of its affairs and operations during the year ending [December ?] thirty-first next preceding, in such form as the commissioner of banking and insurance may require, which shall be verified under the oath of the president and secretary, and shall be published, or the substance thereof, in his annual report, by the commissioner of banking and insurance.

Annual report, under oath, to be filed.

195. SEC. 9. That every such foreign corporation or association admitted to transact business under this act shall pay for filing the certified copy of its charter or articles of incorporation twenty dollars; for filing the preliminary statement on admission, twenty dollars; for filing the annual statement thereafter, twenty dollars, and for certificates of authority to agents, two dollars each.

Fees for filing certificate, &c.

196. SEC. 10. That this act shall not apply to secret or fraternal societies conducting their business on the lodge system, nor to associations organized solely for benevolent or charitable purposes.

To what societies act shall not apply

197. SEC. 11. That all acts and parts of acts inconsistent with the provisions of this act be and the same are hereby repealed, and that this act shall take effect immediately.

Repealer.

An act relating to fire insurance.

Approved May 17, 1894.

P. L. 1894, p. 441.

198. SEC. 1. That it shall and may be lawful for any mutual fire insurance association, organized under the laws of this state, to insure their respective dwelling-houses, school-houses and houses for religious worship, mechanic shops, barns, wagon-houses and other farm buildings, with or without their contents, against loss or damage by lightning or fire, without regard to the distance which any one building stands from or is connected with any other building, or other dwelling-house, shop, barn or other building.

Buildings may be insured by mutual fire insurance companies without regard to their distance from each other.

199. SEC. 2. That all acts and parts of acts inconsistent with this act be and the same are hereby repealed.

Repealer.

An act relating to life insurance companies doing business in the state of New Jersey, and to the representatives of such companies.

Approved March 19, 1895.

P. L. 1895, p. 334.

200. SEC. 1. That no life insurance company doing business in the state of New Jersey shall make or permit any distinction or discrimination in favor of individuals between insurants of the same class and equal expectation of life in the amount or payment of premiums or rates charged for policies of life or endowment insurance, or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of the contracts it makes; nor shall any such company or any agent, or sub-agent thereof, or any other person, make any contract of insurance or agreement as to such contract, other than as plainly expressed in the policy issued thereon; nor shall any such company or any agent or sub-agent thereof, or any other person, directly or indirectly pay or allow, or offer to pay or allow, as inducement to insurance, or after the insurance shall have been effected, any rebate of premium payable on the policy, or any special favor or advantage in the dividends or other benefit to accrue thereon, or any valuable consideration or inducement whatever not specified in the policy contract of insurance.

Life insurance companies not to make discriminations between persons of same class.

No agreement shall be made other than is expressed in the policy.

Rebates shall not be allowed.

201. SEC. 2. That any person or corporation violating any of the provisions of the preceding section of this act shall, for each and every offense, forfeit and pay the sum of one hundred dollars for every twenty-five hundred dollars of insurance or fraction thereof effected by the said policy contract of insurance; such penalty to be sued for and recovered with costs in an action of debt in any court of competent jurisdiction in the county

Penalty for violating act.

Defendant who defaults may be committed to jail.

where the offense shall have been committed, or in any county wherein such offender may reside or be served with process, by any person who shall sue for the same; one-half of such penalty shall be for the benefit of the person prosecuting the suit, and the other half shall be paid to the state treasurer for the benefit of the school fund of the state; and in case the defendant in any suit shall neglect or refuse to pay the amount recovered against him, it shall be lawful for such court in which such judgment has been obtained to issue its process against the body of the defendant and to cause him to be committed to the jail of the county until the judgment and costs are paid, the imprisonment, however, not to exceed sixty days from the date of such commitment.

Offenders against the act not to serve as agents of any company.

202. SEC. 3. That no agent, sub-agent or other person against whom final judgment may have been recovered under the second section of this act, shall solicit applications for life insurance in this state, or in any way, directly or indirectly, act as the agent of any life insurance company doing business in this state within two years after the recovery of such final judgment; and any person so offending against the provisions of this section of this act shall be adjudged guilty of a misdemeanor, and on being thereof convicted shall be punished by a fine not less than five hundred dollars nor exceeding one thousand dollars, or by imprisonment for any term not less than thirty days nor more than ninety days, or both, at the discretion of the court.

Penalty.

Repealer.

203. SEC. 4. That all acts or parts of acts inconsistent herewith are hereby repealed.

An act in relation to mutual fire insurance companies.

P. L. 1895, p. 345.

Approved March 19, 1895.

Property may be insured against loss by fire wherever located.

204. SEC. 1. That it shall and may be lawful for any mutual fire insurance association, organized under the laws of this state, to insure buildings, farm produce and other personal property against loss or damage by lightning or fire, wheresoever the same may be located.

An act to permit and allow firms and individuals not less than twenty in number under each organization, known as fire Lloyds, to insure others against loss or damage by fire and lightning, and to underwrite policies of insurance issued therefor under the Lloyds form.

P. L. 1895, p. 684.

Approved March 25, 1895.

Persons may associate together as Lloyds associations.

205. SEC. 1. That it shall and may be lawful for any number of individuals or firms, as separate underwriters, to associate themselves together under what are known as Lloyds associations, to be composed of not less than twenty members each, who shall all be legal residents of New Jersey, possessing in their individual right in value twenty thousand dollars of personal property and real estate, situate within this state, above all incumbrances, for the purpose of underwriting and contracting and issuing policies of insurance, insuring property against direct loss or damage by fire or lightning upon what is known as the Lloyds plan and to adopt names for each of said Lloyds associations and such rules and regulations for the governance of the same as may be necessary for the carrying out of the purposes of the said Lloyds associations.

Certificate of authority to be issued by commissioner of banking and insurance.

206. SEC. 2. That upon filing with the commissioner of banking and insurance of this state a certificate of each association thus defined, duly signed by at least twenty members thereof of each Lloyds association, the said commissioner of banking and insurance shall immediately issue to these signers, hereby termed subscribers, or to their attorney or attorneys in fact, who shall be named therein, and shall therein be empowered to represent all of the said subscribers thereto or additional subscribers thereafter and their successors as such, a certificate of authority, authorizing these subscribers, through their attorney or attorneys in fact aforesaid, to issue and underwrite policies of insurance bearing all of the said subscribers' names as herein set forth; *provided*, that said association shall file in the

Proviso.

office of said commissioner a statement in writing of the name and residence in this state of some person or persons on whom legal notices and process may be served, and renew such statement whenever required; *provided*, that said associations shall pay to the commissioner of banking and insurance, for the use of the state, for the filing of certificates and statements and copies thereof, the same fees as are now required of corporations organized and doing business under the general insurance laws of this state.

207. Sec. 3. That such Lloyds association shall immediately after the first of January in each and every year file with the said commissioner of banking and insurance a true statement of assets and liabilities, with total resources for the protection of policyholders, upon blanks to be furnished by said commissioner, and that on and after the first day of July, one thousand eight hundred and ninety-five, two per centum of the premiums received by the subscribers of such Lloyds association upon policies issued by them, covering property situated within the state of New Jersey, shall be paid to the firemen's relief association in the same manner as is now required of all foreign insurance companies doing business in this state; and that whenever the commissioner of banking and insurance finds as the result of examination or by any statement filed as aforesaid that any Lloyds association of New Jersey have a less sum than forty thousand dollars on hand over all claims and liabilities, which has been doing business one year, it shall be his duty to serve a thirty-days' notice upon the attorney or attorneys that if the amount is not increased to the said sum of forty thousand dollars required by this act, the charter of such Lloyds shall be forfeited to the state; and it is further required that such subscribers shall deposit with their attorney or attorneys before the issuing of any policies by any such associations known as Lloyds the sum of forty thousand dollars in cash or securities invested in the same manner as now or hereafter required by the general insurance laws of this state.

208. Sec. 4. That no fire Lloyds organized in this state prior to this act shall be permitted to do business in this state.

Proviso.

Such associations to file annual statements.

Percentage of premiums shall be paid to firemen's relief association.

When notice shall be served to increase cash on hand.

Failure to increase fund shall forfeit charter.

Lloyds associations organized prior to this act not to do business.

An act to provide for the paid-up or cash-surrender values of life insurance policies.

Approved March 28, 1895.

P. L. 1895, p. 718.

209. SEC. 1. That whenever any policy of life insurance hereafter issued by any domestic life insurance corporation of this state, after being in force three full years, shall, by its terms, lapse or become forfeited for the non-payment of any premium or note given for a premium or loan made in cash on such policy as security, or of any interest on such note or loan, the net reserve on such policy, including existing dividend additions, computed according to the American experience table of mortality at the rate of four and one-half per centum per annum, shall, on demand made in writing, with the surrender of the policy within three months after such lapse or forfeiture, be taken as a single premium of life insurance at the published rates of the corporation at the time the policy was issued, and shall be applied, as shall have been agreed in the application or policy, either to continue the insurance of the policy in force at its full amount, including dividend additions, so long as such single premium will purchase temporary insurance for that amount at the age of the insured at the time of the lapse or forfeiture, or to purchase upon the same life, at the same age, paid-up insurance, payable at the same time and under the same conditions, except as to payment of premiums, as the original policy; if no such agreement be expressed in the application or policy, such single premium may be applied in either of the modes above specified, at the option of the owner of the policy, notice of such option to be contained in the demand hereinbefore required to be made to prevent the forfeiture of the policy.

Provisions in case policy of life insurance issued by any domestic company after being in force three years becomes forfeited.

Indebtedness on policy to be paid in cash.

210. SEC. 2. That if there be any indebtedness on the policy which has been acknowledged by the assured in writing, such indebtedness shall be paid off in cash before the provisions of this act shall be applicable to the policy.

How net value of insurance shall be computed.

211. SEC. 3. That the net value of the insurance given for such single premium under this act, computed according to the American experience table of mortality, with interest at the rate of four and one-half per centum per annum, shall in no case be less than two-thirds of the entire reserve, computed according to the rule prescribed in this act; but such insurance shall not participate in the profits of the corporation.

Excess of reserve on endowment policy to be paid in cash.

212. SEC. 4. That if the reserve upon any endowment policy applied according to the provisions of this act, as a single premium of temporary insurance be more than sufficient to continue the insurance to the end of the endowment term named in the policy, and if the insured survive that term, the excess shall be paid in cash at the end of such term, on the conditions on which the original policy was issued.

When policy shall be incontestable.

213. SEC. 5. That any policy issued by any insurance company of this state shall be incontestable after two years from its date of issue, provided all due premiums have been paid, except that such policy may be adjusted for misstatement of age in the application for original policy.

Certain companies have option to make certain payments in cash.

214. SEC. 6. That on policies of prudential or industrial insurance the paid-up value of which, in accordance herewith, shall be less than fifty dollars, it shall be optional with the company issuing such policy to pay to the legal holder or holders thereof the cash equivalent; and upon such payment, the company shall be absolutely released from all further claims or demands whatsoever, under or by reason of said policy, which shall thereupon be canceled.

Act not to apply to policies on lives of children under twelve years of age.

215. SEC. 7. That the provisions of this act shall not apply to policies issued on the lives of persons under twelve years of age, until three years after such persons shall attain that age.

Repealer.

216. SEC. 8. That all acts or parts of acts inconsistent with this act be and the same are hereby repealed.

Intoxicating Liquors.

I. INNS AND TAVERNS ACT, WITH SUPPLEMENTS.

1. Licenses, by whom granted.
2. Recommendation required.
3. Amended by section 54.
4. Penalty for imposing on court.
5. Recognizance required. Condition.
6. Taken by judge and filed.
7. Fees.
8. Form of license.
9. Confined to person and place.
10. No liquor to be sold elsewhere.
11. When application to be made.
12. To continue one year, but may be renewed.
13. No more inns to be licensed than are necessary.
14. No license to be granted to sheriff, &c.
15. No shopkeeper to be licensed.
16. What necessary for keeping an inn.
17. Tax to be paid for license.
18. Clerk to keep account and pay over moneys.
19. County collector to make annual statement.
20. Accountability of clerks.
21. Sign to be erected.
22. Gaming not allowed.
23. License may be revoked.
24. Not to sell to servants or apprentices.
25. Or take goods, &c., from them.
26. Not to give credit for liquors.
27. Note, &c., given for such debt, void.
28. But may recover from travelers.
29. Proceedings against offenders.
30. License forfeited for drunkenness.
31. Construction of act.
32. Rights of cities, &c., not affected by this act.
33. Persons not licensed not to erect sign.
34. Lists to be laid before grand jury.
35. If license denied, to be final for one year.
36. How liquor sold to be described in indictments.
37. May be prosecuted for penalty.
38. Penalty for permitting sale of liquor in court-house or jail.
39. What shall be evidence of knowledge.
40. Court-house or jail not to be kept as house of entertainment.
41. Inhabitants witnesses.
42. Freeholder to recommend but one.
43. Temperance inns.
44. License.
45. Recognizance. Condition.
46. Fees.
47. Rates.
48. Provision prohibiting innkeeper to keep billiard table repealed.
49. Sale of wines or other liquors from wagons or other vehicles prohibited.
50. Certain sections of inn and tavern act not to apply to cities whose ordinances punish unlicensed sales of liquors.
51. Where city ordinances punish keepers of disorderly houses, not lawful to indict.
52. License to be granted by court of common pleas in certain cities and towns.
53. Repealer.
54. Recommendation to be signed within thirty days before opening of term.
55. Amended by section 56.