

of any subsequent year, and whenever it shall be necessary to reduce the scrip of said company to pay the losses and expenses of any subsequent year the scrip originally granted to the insured shall be first reduced and exhausted before recourse shall be had to the scrip granted to the stockholders of the company.

Sec. 11. *And be it enacted*, That in case any person or persons entitled to a certificate shall be indebted to said corporation for a premium or premiums of insurance the Board of Directors may withhold or correct the certificate or deduct such indebtedness from the amount thereof. Indebtedness to be deducted.

Sec. 12. *And be it enacted*, That at the end of each fiscal year after the payment of a dividend or dividends to stockholders equal to ten per cent. per annum on the amount paid up on each share of stock held by them, the Board of Directors shall, out of the remaining profits, pay such interest for the preceding year to the holders of certificates as such balance will pay, not exceeding six per cent. ; and whenever there shall be a surplus, after paying six per cent. interest for the preceding year on all certificates issued, they shall dispose of such surplus to the stockholders and holders of participating policies, in the same manner required in the tenth section hereof. Interest to be paid.

Sec. 13. *And be it enacted*, That whenever the accumulation of the net profits, together with the capital stock paid up, shall exceed three hundred thousand dollars, the Board of Directors may apply the excess, after the payment of dividends and interest as hereinbefore provided, annually thereafter towards the redemption in whole, or in part, of the certificates, commencing with those of the oldest dates ; and whenever funds shall be provided to redeem certificates, no interest shall be paid to holders of the same after notice shall have been given to them that funds are provided for the redemption thereof ; such notice shall be given by publishing the same daily for one week in two newspapers printed in the city of Baltimore. Excess—how applied.

Sec. 14. *And be it enacted*, That if any person entitled to a certificate of profits of this corporation, issued in conformity with the provisions of Application to be made within two years,