

maintain as any other liability an unearned or reinsurance reserve for all unexpired policies or risks in force, equal to the unearned portions of the gross premiums charged for covering said policies or risks, computed on each respective policy or risk from the date of the issuance of the policy, bond or other contract of insurance; or, in the discretion of the commissioner, at the rate of fifty per centum of the current annual premiums on each outstanding bond, policy or contract in force and written for one year or less, and on policies and bonds in force and written for more than one year at the rate of fifty per centum of the current year's premiums, plus the whole of the premiums for subsequent years.

1929, ch. 218.

112A. If the Commissioner, after charging any Casualty, Surety, Liability, Title or Miscellaneous company with the reserves, if any, as provided by law, and adding thereto all debts and claims against it, finds the capital stock of such company impaired to the extent of twenty-five per cent., he shall give notice to the company to make good its whole capital stock within sixty days; and if this is not done he shall require the company to cease to do new business within this State; and shall thereupon, in case the company is organized under the authority of this State, immediately institute such legal proceedings as are necessary to protect the rights of all persons in said company.

Mutual Insurance Companies.

An. Code, 1924, sec. 114. 1922, ch. 492, sec. 111. 1935, ch. 147.

114. *Requirements Prior to Doing Business.* No corporation organized under this sub-title shall issue policies or transact any business of insurance unless it shall comply with the conditions following, nor until the Insurance Commissioner has, by formal license, authorized it to do so, and such license shall not issue until the corporation shall have complied with the following conditions:

(a) It shall hold bona fide applications for insurance upon which it shall issue simultaneously, or it shall have in force, at least twenty policies to at least twenty members for the same kind of insurance, upon not less than two hundred separate risks, each within the maximum single risk described herein.

(b) For the purpose of transacting employer's liability and workmen's compensation insurance, the application shall cover not less than two thousand employees, each such employee being considered a separate risk for determining the maximum single risk.

(c) The "maximum single risk" shall not exceed twenty per cent. of the admitted assets, or three times the average risk, or one per cent. of the insurance in force, whichever is the greatest, any reinsurance taking effect simultaneously with the policy being deducted in determining such maximum single risk.