

CHAP. 459. of requiring a member taking out insurance to sign a premium note as hereinbefore required by this section, company may insert in the body of its policies a provision or condition precedent upon which said policy is issued, that by the acceptance of said policy the insured covenants and agrees with said company to pay the said company such sum of money as the board of directors may require, in such proportion and at such times as the company agreeably to its act of its incorporation may require, said provision or condition and its terms to appear on the books of the said company, as and in place of the premium note, subject in all respects to the same rights and remedies as a premium note, and the insured, by surrendering up his policy, may be released from all obligations under its provisions, except for losses and expenses accrued prior to said surrender, a due proportion of which the insured is liable to pay, in which event payment on such due portions of losses and expenses alone will discharge the obligation; and provided, further, that said company, upon the payment of a cash premium of such amount as the board of directors of said company may deem requisite, may issue the aforesaid policies of insurance not further assessable during the term for which said insurance may be issued, unless during said term the losses and expenses of said company may aggregate a sum equal to five per cent. of the aggregate of its premium notes and aforementioned conditional policies; in which event, non-assessable policies issued under the provisions of this Act shall bear their due proportions of said excess and be liable for assessments in an amount sufficient to pay said excess, but not for any other purpose, and in computing the aggregate of premiums, notes and conditional policies, for the purpose of ascertaining whether or not said excess, and the amount of its existing said non-assessable policies shall not be included, but in ascertaining the rate of assessment necessary to pay losses and expenses in excess of said five per cent. all policies issued by said company shall be included and bear their share of said assessment in proportion to the terms and conditions of said policies, and a holder of said policy shall bear the same relationship to the company as any other policy holder.

Location of  
office

11. *And be it enacted*, That the office of said company shall be in Hagerstown, Maryland, and the annual and all other meetings of the company and the board of directors for transacting the business of the company shall be held at their office in the aforesaid place, and at the annual meeting of the company the members shall pass all by-laws, rules and regulations necessary for the well government of the affairs of said corporation. It shall be the duty of the secretary and treas-