

amended by the addition thereto of a new and additional Section, to follow immediately after Section 186, and to be designated and known as Section 186-A, and to read as follows:

186-A. No stock salesman, broker or other person representing any insurance company, wherever incorporated, in process of organization and not licensed to transact business in this State, shall be permitted to solicit subscriptions to or sell the stock of such company in this State unless and until such company has furnished the Insurance Commissioner with full particulars as to the methods and proposed cost of promotion. Before any such person shall solicit subscriptions to or sell the stock of such company, he shall be required to secure a license from the Insurance Commissioner, who, prior, to the issuance of such license, shall investigate the record of the applicant and may, for good cause shown, refuse to issue same. The fee for each such license shall be ten dollars. The cost of promotion, including commissions to the stock-salesmen and all expenses of organization of whatever character, shall not exceed five per centum of the subscription or selling price of each share of stock, and the Insurance Commissioner shall require this provision to be plainly set forth in the stock subscription agreement or contract for the sale of stock. No part of the commissions to the salesmen or other organization expense under any subscription for stock shall be payable until such share or shares of stock have been fully paid for in cash or securities of equivalent value. The subscription to or sale of stock in any such company in series is prohibited, except that after a company is organized and actively engaged in the insurance business, the Insurance Commissioner is empowered to authorize it to sell a new issue of stock at an advanced price on conditions not otherwise inconsistent with the provisions of this Section. The fiscal agent, person or corporation engaged in promoting the organization of any such insurance company shall be required to give to the Insurance Commissioner a surety bond in the amount of ten per cent. of the proposed maximum capital of such company for a faithful performance of the undertaking in accordance with the provisions of this Section by both himself and his salesmen.

Any violation of the provisions of this Section shall be deemed a misdemeanor and shall be punishable by a fine not exceeding one hundred dollars for the first offense, and by a fine of not less than one hundred dollars or more than one thousand dollars for each subsequent offense.