

CHAPTER 455.

(House Bill 16)

AN ACT to repeal and re-enact, with amendments, Section 104A of Article 48A of the Annotated Code of Maryland (1943 Supplement), title "Insurance", sub-title "Life, Accident and Health Insurance", providing that all applications for insurance in a mutual life insurance company in course of organization shall be from residents of Maryland.

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That Section 104A of Article 48A of the Annotated Code of Maryland (1943 Supplement), title "Insurance", sub-title "Life, Health and Accident Insurance", be and the same is hereby repealed and re-enacted, with amendments, to read as follows:

104A. (Mutual Life Insurance Companies.) Mutual Insurance Companies issuing certificates, or other forms of contract, for the payment of money or other benefits in the event of sickness, accident or death, or other contingency, either to the members, policy or certificate holders, or to their families or representatives, in an amount greater than one thousand dollars upon the termination of any one life, or combination of lives, or sum greater than seventy-five dollars annually, or the equivalent thereof, whether the payment be stipulated to be made annually, or at shorter or longer intervals, upon any contract of annuity in which the continuance of any one life, whether singly or in connection with other lives jointly or in succession, or combined in any way whatsoever, or during sickness or disability, is involved as an element of the contract, may be formed, subject to the provisions of this Article applicable to life insurance companies and not inconsistent herewith, on the mutual plan. Any such company formed on the mutual plan, shall not be entitled to receive a certificate of authority to transact such business or issue any benefit certificate, or pay or allow, or offer or promise to pay or allow to any person any death, endowment or disability benefit, until (a) it shall have secured bona fide applications for insurance upon which it shall issue simultaneously, or shall have in force one thousand policies upon one thousand separate lives, each of whom shall be a resident of this State, for the aggregate amount of at least one million dollars; (b) it shall have collected in advance an annual cash premium upon each application required for organization, the total of which premiums shall be held in cash, or in securities in which insurance companies are authorized to invest, and the total assets so acquired and held shall not be less than two hundred thousand dollars, and ex-