

CHAP. 279.

Board of Directors.

SEC. 2. *And be it enacted*, That the persons named in the foregoing section are hereby constituted and appointed a board of directors of said company, until the first election of directors, as hereinafter provided for, shall take place; and that it shall be the duty of said directors, or of a majority of them, at their first meeting, to begin the organization of said company by the appointment of a president and secretary; and that they shall have power to establish their salaries, fill vacancies in their own body, make by-laws, and possess all the other powers conferred upon the directors by this act.

Books to be opened.

SEC. 3. *And be it enacted*, That it shall be the duty of said board to open books to receive applications for insurance as aforesaid, and as soon as the amount of insurance approved by them shall amount to one hundred and fifty thousand dollars, the premiums on which shall have been actually paid or secured to be paid, the company shall be considered as organized, and go into operation.

Privilege of company for protection of dealers.

SEC. 4. *And be it enacted*, That the said company for the better security of its dealers, may receive notes for premiums in advance of persons intending to receive its policies, and may negotiate such notes for the purpose of paying claims or otherwise in the course of its business; but the aggregate amount of said notes shall not exceed at any one time fifty-thousand dollars, and shall not be used by the company until all its other available funds are exhausted, and in lieu of all other compensation or interest, the respective signers of said notes shall be entitled to the same privileges and to the same share or dividends of the profits of the company, as if the amount of said notes were for premiums paid to the company for risks insured by it; but in proportion as its earnings will justify it, the company shall have the right to decrease the respective amount of said notes, and to cancel or return them to their respective signers, after receiving from them the proportion which the company may have earned for policies issued to them respectively; and should any portion of said notes have been used for paying losses, before any disposition shall be made of the funds of the company, towards the redemption of dividend certificates, as hereinafter mentioned, the same shall be made good as soon as the business and resources of the company will permit, it being the true meaning and intent of this act, that should the said sum of fifty thousand dollars, or any part thereof, be at any time required to meet any demands against the company, such amount shall be made good to the respec-

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