

No. 62.

AN ACT

To incorporate the Susquehanna County Mutual Insurance Company.

SECTION 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That George Walker, George Fuller, J. C. Biddle, Joseph Washburn, Almon H. Read, James W. Chapman, J. W. Raynsford, M. C. Tyler, A. L. Post, H. J. Webb, Henry Drinker, Asa Dimock, C. L. Ward, Davis Dimock, jr. Mason S. Willson, John Comfort, Charles Dimmon, Calvin Leet, Spencer Hickox, Rowland T. Ashley, Jabez Hyde, Thomas P. Phinney, Calvin Summers, Joseph Williams, Benjamin Lathrop, William Hartley, William Ward, and all other persons who may hereafter associate with them, in the manner herein prescribed, shall be a corporation by the name of the Susquehanna County Mutual Insurance company, for the purpose of insuring their respective dwelling-houses, stores, shops and other buildings, household furniture, merchandize and other property against loss or damage by fire.

Corporators.

Persons insuring shall become members, &c.

SECTION 2. All persons who shall hereafter insure with the said corporation, and also their heirs and executors, administrators and assigns, continuing to be insured with said corporation as hereinafter provided, shall thereby become members thereof during the period they shall remain insured by said company and no longer.

Directors

Vacancies how filled

To transact business in the borough of Montrose

SECTION 3. The affairs of said company shall be managed by a board of directors, consisting of thirteen members, chosen or appointed as hereinafter provided, all vacancies happening in said board, shall be filled by the remaining directors for the remainder of the year, for which they were elected or until a new election, and a majority of the whole shall constitute a quorum for the transaction of business. The persons named in the first section of this act, shall be the first directors and the business of said corporation shall be done and transacted at such place, in the borough of Montrose, in the county of Susquehanna, as shall be designated by a majority of the directors present, at any regular meeting of the board, and said board shall continue in office for one year after the passage of this act, and until others are chosen in their place, which board of directors shall thereafter be elec-

ted yearly, at such time and place, in the borough of Montrose aforesaid, as the corporation in their by-laws shall appoint, of which election, public notice shall be given in at least one of the public newspapers printed in said county, at least thirty days immediately preceding such election. Such election shall be holden under the inspection of three members not being directors, to be appointed by the directors previous to every election, and such election shall be made by ballot and by a plurality of the members, or their proxies then present, allowing to each member one vote, for every hundred dollars insured for him, with said corporation to the amount of one thousand dollars.

Annual election

Notice to be given

How held

Ratio of votes

SECTION 4. The said directors shall have power to elect or appoint a president, secretary and treasurer, who shall severally give bonds with surety, to the satisfaction of said board of directors or a majority of them, conditioned for the faithful discharge of their trusts and duties. And the said board shall procure a book or books, wherein shall be fairly and legibly entered all the transactions and doings of the said board of directors, and a copy or copies thereof, attested by the president, and countersigned by the secretary, for the time being, shall be deemed and taken as legal evidence against the said corporation, of the transactions or doings of said board of directors.

Officers

Bonds

Books to be procured to enter transactions of the board

Journals how to be kept

SECTION 5. The directors shall determine as nearly as practicable by their by-laws, the rates of insurance on the different classes of property, and the sum to be deposited for any insurance, they shall also fix the sum to be insured.

Rates of insurance

SECTION 6. Every person who shall become a member of said corporation, by effecting insurance therein, shall before he receives his policy, deposite his promissory judgment note for such a sum of money as shall be determined by the directors, a part not exceeding ten per cent of said note, shall be immediately paid and the remainder of said deposit note shall be payable in part or the whole at any time, when the directors shall deem the same requisite for the payment of loss by fire and such incidental expenses as shall be necessary for transacting the business of said corporation, and at the expiration of the time of insurance, the said note or such part of the same as shall remain unpaid, after deducting all losses and expenses during said term, shall be relinquished and given up to the maker thereof, and it shall be lawful for said company to loan such portion of their money on hand, as shall not be wanted immediately for the purposes of said corporation to be secured by the bond and mortgage on real estate of double the value of the sum loaned above all incumbrances, for a term of time, not exceeding two years, the interest to be paid half

Deposits

Loss by fire how paid

yearly and in default of such payment, the principle as well as interest to become immediately due and collectable.

Liens on insured property

SECTION 7. And said company shall have a lien in the nature of a judgment, waiving the right of inquisition upon all the said property of the insured, to the amount of his deposit note or so much thereof as may be unpaid, which shall continue till the amount of such note with interest and cost of execution, if any shall have been paid, or satisfied according to the provisions of this act. *Provided*, Said company shall file in the office of the prothonotary of the county, wherein such real estate shall lie, a memorandum of the name of the individual insured, a description of the property, the amount of deposit note unpaid and the term for which the insurance shall continue, and the prothonotary with whom the same shall be filed is hereby required forthwith to enter the same without tax or fee, at large upon his judgment docket, and the same when so entered, shall be deemed and taken to be in all respects as a judgment entered upon confession by virtue of a warrant of attorney and execution may at any time be had thereof, for so much as by virtue of the provisions of this act, may be due and demandable, but the lien thereof shall commence with the filing of such memorandum, in the office of the prothonotary. *Provided further*, That such lien shall not be construed to take from such person insured as aforesaid, the privileges of a freeholder.

Proviso how filed

To be as judgments

End proviso

On sale of insurance property

SECTION 8. When property insured by this corporation shall be alienated by sale or otherwise, the policy shall thereafter be void, and be surrendered to the directors of said company, to be cancelled and upon such surrender, the insured shall be entitled to receive his deposit notes, with an order signed by the president and secretary of the board of managers, directing the prothonotary, in whose office a memorandum of said notes may have been entered, as hereinbefore provided to enter satisfaction thereon. *Provided*, That the aforesaid, shall first pay his proportion of the balance of losses and expenses if any, which have accrued prior to such surrender, but the grantee or alienee having the policy assigned to him, may have the same ratified and confirmed to him for his own proper use and benefit, upon application to the directors, and with their consent, within thirty days next after such alienations, and giving proper security to the satisfaction of said directors, for such portion of the deposit or premium note as shall remain unpaid, and by such ratification and confirmation, the party causing such security to be given, shall be entitled to all the rights and privileges, and be subject to all the liabilities to which the original party was liable and subjected to, under this act.

Policy to be surrendered

Proviso

Insured to pay proportion of losses

SECTION 9. Suits at law may be maintained by said corporation, against any of its members, for the collection of said deposit note or for any cause relating to the business of said corporation, or against any person for moneys due said corporation, or for injury done to their corporate property, books or papers or for causing the destruction by fire, of any property by them insured, and for no other cause, but said corporation shall not hold any property, except what may be absolutely necessary, for the transaction of their corporate business and all real estate purchased by said company, for the purpose of collecting or securing debts, shall escheat to this commonwealth, unless the same shall have been sold and disposed of, and passed bona fide from the possession and ownership of said corporation, within five years next succeeding such purchase, also suits at law may be maintained against said corporation, by any member thereof for losses or damage by fire, if payment is withheld more than three months after the company are duly notified of such loss, and no member not being in his individual capacity interested, shall be incompetent as a witness in any such cause as the aforesaid, on account his being a member of said corporation, and service of writs upon any one of the said directors, shall in law be deemed a sufficient service.

Suits of corporation

What property may be held by corporation

Suits against corporation

Who may be witnesses

SECTION 10. The directors shall after receiving notice of any loss or damage by fire, sustained on property insured by said corporation, and ascertaining the same or after the condition of any judgment as aforesaid, against said company for loss or damage, settle and determine the sums to be paid by the several members thereof as their respective proportion, of such loss and publish the same as they may see fit, or in such manner as their by-laws shall have prescribed, and the sum to be paid by each member, shall always be in proportion to the original amount of his deposit note or notes, and shall be paid to the treasurer within thirty days, next after the publication of said notice, and if any member shall for the space of thirty days, after the publication of said notice, neglect or refuse to pay the sum assessed on him as his proportion of the loss aforesaid, in such case, the directors may sue for and recover the whole amount of his deposit note or notes, with costs of suit or may have execution for the whole amount as provided for in the sixth section of this act, and the amount thus collected, shall remain in the treasury of said corporation subject to the payment of such delinquents's proportion of prior or future losses and expenses, and the balance if any remain shall be returned to the party from whom it was collected on demand, after thirty days from the expiration of the term for which insurance was made.

How losses to be paid

Liability of members of corporation

- When available funds are insufficient** SECTION 11. If the available funds on hand and the amount of deposit notes, should be insufficient to pay the loss occasioned by any fire or fires, in such case the sufferers insured by said company, shall receive towards making good their respective losses, a proportionate dividend of the whole amount of said deposit, according to the sums to them respectively insured and in addition thereto, a sum to be assessed on all the members of said company, on the same principles as regulated the amounts of their respective deposit notes, but not exceeding one dollar on every hundred dollars to them respectively insured, and no member shall be required to pay for any loss occasioned by fire, at any one time more than one dollar on every hundred dollars insured in said company, in addition to his deposit note, nor more than that amount for any such loss, after his said note shall have been paid in and expended, but any member upon payment of the whole of his deposit note and surrendering his policy before any subsequent expense or loss has occurred, may be discharged from said company.
- Proceedings**
- Policy how issued** SECTION 12. No policy shall be issued by said company, till application be made for insurance for twenty-five thousand dollars at least.
- Limit of insurance** SECTION 13. No insurance shall be made by said company, for a longer period than ten years.
- Legislature may annul** SECTION 14. This act shall take effect immediately after its passage, and shall continue in force twenty years, but the legislature of this commonwealth may at any time alter, modify or annul its provisions.
- WM. HOPKINS,
Speaker of the House of Representatives.
CHARLES B. PENROSE,
Speaker of the Senate.
- APPROVED**—This twenty-first day of March, Anno Domini, eighteen hundred and thirty-nine.
- DAVID R. PORTER.