

April 27, 1876.

CHAP. 84.—An act to correct an error in the Revised Statutes of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of correcting an error in the act entitled "An act to revise and consolidate the statutes of the United States, in force on the first day of December, anno Domini one thousand eight hundred and seventy-three," so as to make the same truly express such laws, the following amendment is hereby made therein:

R. S., 2403, p. 443,
amended.

Section two thousand four hundred and three is amended by striking out in the second line the word "seven" and inserting the word one, and all proceedings under said section two thousand four hundred and three shall have the same force and effect as though enacted as herein amended.

Approved, April 27, 1876.

April 27, 1876.

CHAP. 85.—An act to incorporate the Mutual Protection Fire Insurance Company of the District of Columbia.

Corporators.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That George Taylor, William Ballantyne, John C. Harkness, William J. Sibley, Augustus E. Perry, Norval W. Burchell, Joseph Casey, Charles F. Peck, James H. Saville, A. M. Bruen, John D. McPherson, Montgomery Blair, George Lowry, John T. Given, S. H. Kauffman, Nathaniel Wilson, George Hill, junior, John Markriter, John T. Mitchell, A. Pollok, John F. Bridget, and James E. Fitch, all of the District of Columbia, with their associates and successors, are hereby created a body politic and corporate by the name and style of the "Mutual Protection Fire Insurance Company of the District of Columbia," and by that name shall have perpetual succession, with power to sue and be sued, plead and be impleaded, in courts of law and equity; to adopt a common seal, and the same to break, alter, and renew at pleasure; to ordain and establish by-laws and regulations; and generally to do such acts and things as may be necessary to carry into effect the provisions of this act and promote the purposes and designs of said company.

Name.

Powers.

Business of company.

SEC. 2. That the purposes and designs of said company shall be to insure, against loss or damage by fire, the respective dwelling-houses and other buildings, and the furniture and every description of property belonging to its members, as well as the rents of such property.

Capital stock.

SEC. 3. That the capital stock of said company shall consist of the premium notes given by the insured, the cash paid as interest thereon, and all property and profit derived from the investment or use of its income or assets; but the reserve fund of said company shall not, at any one time, exceed one hundred thousand dollars exclusive of the real estate it may hold as hereinafter authorized.

Reserve fund.

Premium-notes.

SEC. 4. That said premium-notes shall be payable on demand, and shall each constitute and be a lien to the amount thereof respectively upon the interest and estate, legal and equitable, of the insured in the buildings at risk in said company, and upon the land, premises, and appurtenances thereunto belonging: *Provided*, That the lien upon personal property shall continue only while the same remains in the ownership of the person insured: *And provided also*, That said company shall file with the recorder of deeds for the District of Columbia a memorandum of the name of the person insured, a description of the property, and the amount of the premium-note unpaid, and said lien shall commence from the time of filing said memorandum. Judgment upon said note may be entered upon confession by virtue of a warrant of attorney, and execution may at any time be had thereon; but the privileges, immunities, and franchises granted by this act shall be confined to the District of Columbia.

Lien of premium-notes.

Proviso.

Judgment on premium notes.

Franchises limited to Dist. of Col.

SEC. 5. That all persons who shall hereafter insure with said company, and their executors, administrators, and assigns continuing to be so insured, shall thereby become members thereof during the period they shall be and remain so insured, and no longer; and the word "person" as used in this act shall be held to include corporations also.

Members of company.

Word "person."

SEC. 6. That each and every member of said company shall have full power to withdraw therefrom, in whole or in part, at any time, upon application in writing to the proper officer thereof, and payment of all arrearages of assessments and interest that may then be due and owing to said company from said member. Upon such application, the said officer shall cancel the insurance or insurances designated in said application, together with the premium note or notes held by said company on account of such cancelled insurance. Said officer shall also return any amount of money which may be due said member on the books of said company on account of said cancelled insurance, and thereafter said member shall be debarred from all claim on said company on account of such cancelled insurance accruing subsequent to such withdrawal and cancellation. But no premium note or notes shall be cancelled or in any manner discharged or given up until all assessments thereon on account of liabilities incurred before or at the time of such withdrawal shall have been fully ascertained and paid.

Withdrawal from membership.

Cancellation of insurance.

SEC. 7. That the affairs of said company shall be conducted by a board of nine trustees, who shall be elected at the annual meeting of the members, and shall continue in office until their successors are elected and qualified. Not less than a majority of said board shall constitute a quorum to do business, but a less number may adjourn from time to time. Vacancies happening in said board otherwise than by removal, as hereinafter provided, may be filled by the remaining trustees for the residue of the term for which they were elected. Said board shall choose one of their number as president and one as vice-president; and they shall also appoint such other officers as may be necessary for conducting the affairs of said company.

Board of trustees.

Quorum.

Vacancies.

President and other officers.

SEC. 8. That the nine persons first named in this act shall be the board of trustees of said company until the first annual meeting, and until their successors are chosen and qualified. Such of them as may be present at their first meeting may proceed to organize by electing a president, vice-president, and other officers; and, as soon thereafter as practicable, said board shall adopt by-laws, provide the necessary books, and otherwise prepare the company for the transaction of business, and thereafter said board shall exercise a general superintendence of the affairs of the company: *Provided*, That the said by-laws shall only be adopted by the concurrent vote of at least two-thirds of the whole board of trustees, and when once adopted any alteration or amendment shall only be made at an annual meeting of the company, notice of such proposed alteration or amendment having been filed in the office of the company at least thirty days before the day fixed for said annual meeting. A majority of two-thirds of the votes cast shall be necessary to the adoption of any such alteration or amendment, but when thus adopted the same shall be binding on all the members of the company.

First board of trustees.

Organization.

By-laws.

SEC. 9. That the board of trustees shall, by general rules, determine the rates of insurance, the sum to be insured, and the rate of interest to be paid upon the premium-notes, which latter, however, shall not exceed six per centum per annum. No more than five thousand dollars shall be insured on any one risk, unless the premium-notes shall amount to over one hundred thousand dollars; and in that case no one risk shall exceed five per centum on the whole amount of premium-notes.

Rates and amount of insurance.

Maximum risk.

SEC. 10. That every person who shall become a member of said company by effecting insurance therein shall deposit his promissory note, payable on demand, for such sum, and upon such interest, not exceeding six per centum per annum, as may be required under the general rules prescribed by the board of trustees; and said notes shall be liable to assessment pro rata at any time when the trustees shall deem the

Notes of assured deposited.

Assessments.

- Policy not binding until, etc. same requisite for the payment of losses or the current expenses of the company; and no policy shall bind the company until such note has been given.
- Calls of assessments. SEC. 11. That whenever the board of trustees, for the purpose of paying losses or current expenses, shall deem it necessary to call for the payment of any portion of the principal of the premium-notes, they shall settle and determine the sum to be paid by the several members, (but always in proportion to the original amount of the respective premium-notes.) Notice of such call shall be given to the members in such manner as the by-laws shall prescribe; and if any member shall neglect or refuse to pay the sum assessed upon said member, for the space of thirty days after receiving such notice, the company may proceed to collect the whole amount of such premium-note, together with costs; and the amount of the note, less the expenses of collecting the same, shall be placed in the treasury of the company, subject to the same liabilities as said note would have been subject to. But nothing in this act contained shall be construed as requiring losses and expenses to be paid exclusively from assessments on premium-notes, but they may be paid out of such assets as the board of trustees shall, by general rules, prescribe.
- Failure to pay assessment. SEC. 12. That all just and lawful claims of members for loss or damage sustained by fire shall be certified in accordance with the terms of the policy, within sixty days after due notice of the loss has been filed with the company. No suit shall be brought upon any such claim for damages until after the expiration of said sixty days, and no member of the company shall be incompetent as a witness in such suit on account of his said membership.
- Fund for payment of losses and expenses. SEC. 13. That a general meeting of said company shall be held annually at such time and place as shall be designated in the by-laws. The president may, at any time, call a special meeting of the company, and shall do so at the request in writing, of twenty or more members.
- Claim for loss, when to be certified. The election of trustees shall be held at the annual meeting, and shall be by ballot, and each member shall have one vote. At least two weeks' previous notice of each annual or special meeting shall be given by publication in two newspapers of general circulation in the city of Washington: *Provided*, That at any called meeting of the company, the trustees, or any of them, may be removed by a vote of three-fourths of the members present and voting, and the vacancies thus created may be filled at such meeting for the unexpired term; but notice of such proposed action shall be given in the call for the meeting.
- Suit on loss. SEC. 14. That the board of trustees of said company shall cause to be published annually, in some newspaper of general circulation in the city of Washington, and at least two weeks prior to the annual meeting of the members, a statement of its financial condition, in which shall be shown the amount of premium-notes and cash on hand; the amount of securities held by the company; the amount of losses, if any, during the previous year; and such other items relating to the business of the company as said board may think proper.
- Members competent witnesses. SEC. 15. That nothing in this act shall be construed to grant banking-privileges or the right to issue any note to circulate as money or currency. It shall, however, be lawful for said company to employ and improve all moneys received by it, and the profits thereon, in such manner as the trustees may deem best for the interest of the company; but the said company shall not purchase and hold real estate, at any one time, in excess of a cash value of fifty thousand dollars: *Provided*, That this shall not include any purchases to protect the interests of the company at sales under trusts, mortgages, judgments, or decrees.
- Meetings. SEC. 16. That this act shall be in force from and after its passage; but Congress reserves the right to alter, amend, or repeal the same at any time.
- Election of trustees. Annual statement of trustees.
- Removal of trustees.
- No banking privileges.
- Use of funds.
- Real estate. Proviso.
- Amendment and repeal.

Approved, April 27, 1876.