

40-1007. Deposit notes. In companies organized under the provisions of this article, if deposit notes be given, all such notes taken by them in consideration of premiums on their policies shall be assessable and collectible in part or in whole for the purpose of paying any losses which have accrued or may accrue during the continuance of the policy, and to defray expenses as provided in the charter and bylaws of the company; and all such notes shall have inserted on their face the following words, to wit: "It is hereby understood and agreed that this note is not transferable." The directors shall have the right to determine the amount of the deposit note to be given and the part of the premium to be paid in cash, and endorsed thereon; but in no case shall the face of the note be more than five times the amount of the cash payment endorsed thereon. Nor shall the cash payment in any case be less than one annual rate.

History: L. 1927, ch. 231, 40-1007; June 1.