

40-1503. Application for insurance; premium; insured as members of company. Any person desiring insurance shall make application on blanks furnished by the company, and shall pay the annual premium in cash or by giving a note. If a note be given it shall be a lien on the property insured, when recorded as chattel mortgages are recorded. Every person who effects insurance in any company organized under the provisions of this article, and also their heirs, executors, administrators and assigns, continuing to be so insured, shall thereby become members of the company during the period of insurance, and shall be bound to pay for losses and such expenses as accrue to the company and to maintain the reserve fund hereinafter required in proportion to the amount of the annual premium paid by such person. In companies organized under the provisions of this article all 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 all losses and expenses that may accrue to the company and maintain the reserve fund hereinafter required: Provided, however, That such expenses shall in no event exceed fifty percentum of the premiums received by the company in cash and notes.

History: L. 1927, ch. 231, 40-1503; June 1.