

the by-laws thereof, pro rata on the amount of insurance carried by each respectively, either before or after loss, according to the amount of insurance and the rate of premium charged therefor.

SEC. 7. *Be it further enacted,* That said corporation may set aside one eighth of all premiums and assessments received by it as a reserve fund to be invested in such bonds, notes, mortgages, personal property or real estate as the board of directors may determine, and no part of the principal shall be used for any purpose except in settlement of claims against corporation, the other assets, premiums and assessments having been first exhausted. Reserve fund.

SEC. 8. *Be it further enacted,* That all moneys coming to the company excepting the reserve fund mentioned in the preceding section, shall be used by the board of directors in the payment of such losses as the corporation may sustain, and the expenses necessary for the management of its business, and at the end of each fiscal year which is hereby fixed on the first of February of each year, the income and profits arising from premiums and assessments over and above the losses sustained and the current expenses, shall be divided among the policy holders who shall then be members of the corporation pro rata, according to the amount of insurance carried respectively and the premiums paid therefor, the amount of each member's share may be placed to the credit as payment of premiums or assessments of such members, due for the succeeding year, if such member continues a member by continuation of his policy in said corporation, otherwise his pro rata share of the income and profits shall be paid him in cash in sixty days after the dividends shall have been declared. Use of mon-
eys except re-
serve.

Fiscal year.

Income dis-
pursed.

How divided;
may be credi-
ted.

SEC. 9. *Be it further enacted,* That said company shall be required to make annual sworn statements to the auditor, of its assets, condition and business of the previous year in premiums, losses and expenses in the state and as a whole. Annual sworn
statement.