

cept to the extent that may be necessary for its convenient accommodation in the transaction of its business, and then in no case to exceed ten per cent. of its invested assets, including cash in banks.

Such company shall not engage in buying or selling goods, wares or merchandise, except articles insured by it on which losses are claimed, and except in replacing, rebuilding or repairing insured property as provided in its policies, nor engage in any business other than as specified in its charter or agreement of association and expressly authorized by law.

An. Code, 1924, sec. 120. 1922, ch. 492, sec. 117.

**154.** (Reserves.) Such company shall maintain unearned premium and other reserves in the same manner, and upon the same basis as required of domestic stock insurance companies transacting the same kind of insurance; provided that such companies as write all, or the major portion of its policies, to expire on some certain date, or levy annual or periodic assessments against all policies in force payable on some certain date, shall maintain unearned premium reserves computed *pro rata* for the unexpired portion of the term. All reserves required to be maintained as aforesaid, shall be set up as a liability in all financial reports of or concerning each such company filed with the insurance commissioner. The commissioner may prescribe any reasonable basis other than the above for reserves for losses or claims, or may permit such reserves for losses or claims, when based upon the premium income, to be computed upon the net premium income after deducting any so-called dividend, or premium returned or credited to members.

An. Code, 1924, sec. 121. 1922, ch. 492, sec. 118.

**155.** (Assessments.) Such company not possessed of assets at least equal to the unearned premium reserve and other liabilities, shall make an assessment to provide for such deficiency upon only such members as are liable to assessment in proportion to their several liabilities expressed in their policies. Each member shall be liable only on account of losses and expenses incurred while his policy was in force, and he shall be notified of such assessment within one year after the termination of such policy; provided, that the commissioner by written order, may relieve the company from an assessment or other proceeding to restore such assets during the time fixed in such order; and provided, that any domestic company which shall be deficient in providing the unearned premium reserve required hereby, may notwithstanding such deficiency, come under this Article on the condition that it shall each year thereafter reduce such deficiency by at least fifteen per cent. of the original amount thereof, and in such case it may increase its assessments accordingly.

An. Code, 1924, sec. 122. 1922, ch. 492, sec. 119.

**156.** (Loans for Business Purposes.) Any director, officer or member of any such company, or any other person, may advance to such company any sum or sums of money necessary for the purpose of its business, or to enable it to comply with any surplus requirements, or any other requirements of the law, and such moneys, and such interest thereon as may have been agreed upon, not exceeding six per cent. per annum, shall be payable only out of the surplus remaining after providing for all reserves and other liabilities, and shall not otherwise be a liability or claim against the com-