

SEC. 2. *And be it further enacted*, That this Act shall take effect June 1, 1935.

Approved: May 17, 1935.

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CHAPTER 147.

AN ACT to repeal and re-enact, with amendments, Section 114 of Article 48A of the Code of Public General Laws of Maryland, title "Insurance," sub-title "Mutual Insurance Companies," as enacted by Chapter 492 of the Acts of 1922, Section 111, prescribing the conditions and requirements for mutual insurance companies prior to receiving authority to do business.

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That Section 114 of Article 48A of the Code of Public General Laws of Maryland, title "Insurance," sub-title "Mutual Insurance Companies," as enacted by Chapter 492 of the Acts of 1922, Section 111, be and the same is hereby repealed and re-enacted, with amendments, so as to read as follows:

114. Requirements Prior to Doing Business. No corporation organized under this sub-title shall issue policies or transact any business of insurance unless it shall comply with the conditions following, nor until the Insurance Commissioner has, by formal license, authorized it to do so, and such license shall not issue until the corporation shall have complied with the following conditions:

(a) It shall hold bona fide applications for insurance upon which it shall issue simultaneously, or it shall have in force, at least twenty policies to at least twenty members for the same kind of insurance, upon not less than two hundred separate risks, each within the maximum single risk described herein.

(b) For the purpose of transacting employer's liability and workmen's compensation insurance, the application shall cover not less than two thousand employees, each such employee being considered a separate risk for determining the maximum single risk.

(c) the "maximum single risk" shall not exceed twenty per cent. of the admitted assets, or three times the average risk, or one per cent. of the insurance in force,