

In force, Feb. 23, 1839. AN ACT to incorporate the Illinois Mutual Fire Insurance Company.

SEC. 1. *Be it enacted by the People of the State of Illinois, represented in the General Assembly,* That Benjamin F. Long, Elias Hibbard, Moses G. Atwood, Alfred Dow, Robert Smith, William H. Carlin, Norman H. Purple, John F. Rague, J. H. Woodworth, and all other persons who may hereafter become members of said company in the manner herein prescribed, be, and they hereby are, incorporated and made a body politic, for the term of twenty years from the passage of this act, by the name of "The Illinois Mutual Fire Insurance Company," for the purpose of insuring their respective dwelling-houses, stores, shops, and other buildings, household furniture and merchandize, against loss or damages by fire, whether the same shall happen by accident, lightning, or any other means, excepting that of design in the assured, or by the invasion of an enemy or insurrection of the citizens of this or of any of the United States; and by that name may sue and be sued, plead and be impleaded, appear, prosecute, and defend, in any court of record or other place whatever; may have and use a common seal; may purchase and hold such real and personal estate as may be necessary to effect the object of their association, and the same may sell and convey at pleasure: *Provided* such real estate shall not exceed one hundred and sixty acres; may make, establish, and put into execution, such by-laws, ordinances, and regulations, not being contrary to the laws of this State or of the United States, as may seem necessary and convenient for their regulation and government, and for the management of their affairs; and do and execute all such acts and things as may be necessary to carry into full effect the purposes intended by this charter.

SEC. 2. That all and every person and persons who shall at any time become interested in said company by insuring therein, and also their respective heirs, executors, administrators and assigns, continuing to be insured therein as hereinafter provided, shall be deemed and taken to be members thereof for and during the term specified in their respective policies, and no longer, and shall at all times be concluded and bound by the provisions of this act.

SEC. 3. There shall be a meeting of said company at Alton, in the county of Madison, on the first Wednesday of January annually, or on such other day as the said company may hereafter determine; at which first annual meeting shall be chosen, by a major vote of the members present, and by proxy, a board of directors, consisting of not more than fifteen nor less than nine members, who shall continue in office until others have been chosen, and accepted the trust in their stead. In all vacancies happening in said board, whether by removing from the State, dying, or refusing or neglecting to act for and during the space of three months successively, then, and

Body politic.
Name & style.

Powers.

Proviso.

Who deemed members.

Time and place of meeting.

Vacancies, how filled.

in every such case, another director shall be chosen in the place of each director so removing, dying, refusing or neglecting to act as aforesaid, by a majority of the directors present at any monthly meeting; which director so chosen shall remain in office until the next general election of directors; and a majority of the whole board shall constitute a quorum for the transaction of business. At their first regular meeting, the board of directors shall class themselves, by lot, into three classes of an equal number each, the terms of whose service shall respectively expire as follows: the first class in one year, the second class in two years, and the third class in three years. Special meetings of the company may be called by order of the directors, or whenever the owners of one-tenth part of the property insured in said company shall apply to the directors, setting forth, in writing, the purposes for which a meeting is desired.

First meeting.

Term of service.

SEC. 4. The board of directors shall superintend the concerns of said company, and shall have the management of the funds and property thereof, and of all matters and things thereto relating, not otherwise provided for by said company. They shall have power from time to time to appoint a secretary, treasurer, and such other officers, agents, and assistants, as to them may seem necessary, and prescribe their duties, fix their compensation, and take such security from them as they may deem necessary for the faithful performance of their respective duties. They shall determine the rates of insurance, the sum to be insured on any building, not exceeding two-thirds of its value, nor one-half the value of personal property, and the sum to be deposited for the insurance thereof. They shall order and direct the making and issuing of all policies of insurance, the providing of books, stationery, and other things needful for the office of said company, and for carrying on the affairs thereof; and may draw upon the treasurer for the payment of all losses which may have happened, and for the expenses incurred, in transacting the concerns of said company. They shall elect one of their own number to act as president, and may hold their meetings monthly, and oftener if necessary, for transacting the business of the company; and shall keep a record of their proceedings; and any director disagreeing with a majority of the board, at any meeting, may enter his dissent, with his reasons therefor, on record.

Officers of company.

Policies of insurance.

Election of president.

Protest may be entered.

SEC. 5. It shall be the duty of the directors of said company, whenever the premium notes thereof shall amount to the sum of one hundred thousand dollars, to build or cause to be built, or procure for the use of said company, a fire-proof building suitable for the transaction of business and for the preservation of the funds and other property belonging to said company from destruction by reason or means of fire; and for the purpose of providing said building, the directors may assess any sum not exceeding five per cent. of the amount

Premium notes.

of premium notes aforesaid in any one year; and it shall be the duty of the directors to keep said building in proper repair, and to renew the same, in whole or in part, as they may think necessary and expedient.

SEC. 6. The directors shall extend the insurance of said company to every part of this State, on all real and personal property within the same, with the exceptions and provisions hereinafter enacted, not exceeding the sum of ten thousand dollars in any one risk, at such rate or rates as said directors may, in view of the equity of the case and the interest of the company, determine. Insurances shall be made, in all cases, upon the representation of the insured contained in his application therefor, and signed by him or his attorney; which representation shall, in fairness and good faith, state all the material circumstances within his knowledge which may affect the risk: *Provided*, That in case of any loss or damage by fire, the valuation of the property at the time of such loss or damage shall be determined by the award of impartial men as hereinafter provided.

Proviso.

SEC. 7. Books of accounts, written securities or evidence of debts, title deeds, manuscripts or writings of any description, money or bullion, shall not be deemed nor taken to be objects of insurance in said company. Curiosities, jewels, medals, musical instruments, plates, paintings, sculptures, statuary, watches, gold or silver ware of any kind, shall not be deemed to be included in any policy of insurance, unless those articles or any of them form part of the usual and regular stock in trade of the assured, or are particularly specified in the policy. Breweries, chemical establishments, bleaching-houses, oil-mills, or the contents of either of them, alcohol, aqua fortis, gun-powder, spirituous liquors, tar, turpentine, varnish, or any other trades, wares, or merchandize, which may hereafter be excluded by said company at any annual meeting, shall never be deemed insurable by the directors of said company, nor any policy issued thereon.

Exceptions in policies of insurance.

SEC. 8. Every person who shall become a member of said company, by effecting insurance therein, shall, before he receives his policy, deposite his promissory note for such sum or sums of money as shall be determined by the directors; a part, not exceeding ten per cent., of which note shall be immediately paid for the purpose of discharging the incidental expenses of the institution; and the remainder of said deposite note shall be payable, in part or the whole, at any time when the directors shall deem the same requisite for the payment of losses or other expenses; and at the expiration of the term of insurance, the said note, or such part of the same as shall remain unpaid, after deducting all losses and expenses occurring during said term, shall be relinquished and given up to the signer thereof.

Promissory note.

SEC. 9. Every member of said company shall be, and hereby is, bound to pay his proportion of the losses and expenses happening or accruing in and to said company; and all buildings insured by and with said company, together with the right, title, and interest of the assured, to the land on which they stand, shall be pledged to said company; and the said company shall have a lien thereon, against the assured, during the continuance of his, her, or their policies.

Each member bound for his proportion.

SEC. 10. In cases of any loss or damage by fire happening to any member upon property insured in and with said company, the said member shall give notice thereof, in writing, to the directors, or some one of them, or to the secretary of said company, within thirty days from the time such loss or damage may have happened; and the directors, upon a view of the same, or in such other way as they may deem proper, shall ascertain and determine the amount of said loss or damage; and, if the party suffering is not satisfied with the determination of the directors, the question may be submitted to referees, or the said party may bring an action against said company for said loss or damage, at the next court to be holden in and for the county of Madison, and not afterwards, unless said court shall be holden within sixty days after said determination; but if holden within that time, then at the next court holden in said county thereafter; and if, upon trial of said action, a greater sum shall be recovered than the amount determined upon by the directors, the party suffering shall have judgment therefor against said company, with interest thereon from the time said loss or damage happened, and costs of suit; but if no more shall be recovered than the amount aforesaid, the said company shall recover their costs: *Provided, however,* That the judgment last mentioned shall in nowise affect the claim of said suffering party to the amount of loss or damage as determined by the directors aforesaid: *And provided, also,* That execution shall not issue on any judgment against said company until after the expiration of three months from the rendition thereof.

Loss by fire.

Amount of damage.

Referees.

May bring an action.

SEC. 11. The directors shall, after receiving notice of any loss or damage by fire sustained by any member, and ascertaining the same, or after the rendition of any judgment as aforesaid against said company for such loss or damage, settle and determine the sums to be paid by the several members thereof, as their respective proportion of such loss, and publish the same in such manner as they shall see fit, or as the by-laws may have prescribed; and the sum to be paid by each member shall always be in proportion to the original amount of his premium note or notes, and shall be paid to the treasurer within thirty days next after the publication of said notice; and if any member shall, for the space of thirty days after such notice, neglect or refuse to pay the sum assessed upon him, her, or them, his, her, or their proportions of said loss as

aforsaid, in such a case, the directors may sue for and recover the whole amount of his, her, or their deposit note or notes, with costs of suit; and the money thus collected shall remain in the treasury of said company, subject to the payment of such losses and expenses as have or may thereafter accrue; and the balance, if any remain, shall be returned to the party from whom it was collected, on demand after thirty days from the term for which insurance was made.

When deposit notes not sufficient.

SEC. 12. If it shall ever so happen that the whole amount of deposit notes should be insufficient to pay the loss occasioned by any one fire, in such case the sufferers insured by said company shall receive, towards making good their respective losses, a proportionate dividend of the whole amount of said notes, according to the sums by them respectively insured, and, in addition thereto, a sum to be assessed on all the members of said company, not exceeding fifty cents on every hundred dollars by them respectively insured; and the said member shall never be required to pay, for any loss occasioned by fire, at any one time, more than fifty cents on each hundred dollars insured in said company, in addition to the amount of his deposit note, nor more than that amount for any such loss after his said note shall have been paid in and expended; but any member upon payment of the whole of his deposit note, and surrendering his policy, before any subsequent loss or expense has occurred, may be discharged from said company.

Policies not to exceed ten years.

SEC. 13. Said company may make insurances for any term not exceeding ten years; and any policy of insurance, issued by said company, signed by the president and countersigned by the secretary, shall be deemed valid and binding on said company, in all cases where the assured has a title in fee simple, unencumbered, to the building or buildings insured, and to the land covered by the same; but if the assured have a less estate therein, or if the premises be encumbered, the policy shall be void, unless the true title of the assured, and the encumbrances on the premises, be expressed therein.

Directors to settle and pay all losses.

SEC. 14. The directors shall settle and pay all losses within three months after they shall have been notified as aforsaid, unless they shall judge it proper, within that time, to rebuild the house or houses destroyed, or repair the damages sustained, which they are empowered to do, in convenient times: *Provided* they do not lay out and expend in such building or repairs more than the sum insured on the premises; but no allowance is to be made, in estimating damages in any case, for gilding, historical or landscape painting, stucco or carved work; nor are the same to be replaced if destroyed by fire.

Buildings alienated by sale.

SEC. 15. When any house or other building shall be alienated by sale or otherwise, the policy thereupon shall be void, and be surrendered to the directors of said company, to be cancelled; and upon such surrender, the assured shall be

entitled to receive his, her, or their deposite note upon the payment of his, her, or their proportion of all losses and expenses that have accrued prior to such surrender: *Provided, however,* That the grantee or alienee, having the policy assigned to him, may have the same ratified and confirmed to him, her, or them, for his, her, or their own proper use and benefit, upon application to the directors, and with their consent, within thirty days next after such alienation, on giving proper security, to the satisfaction of the directors, for such portion of the deposite or premium note as shall remain unpaid; and by such ratification and confirmation, the party causing the same shall be entitled to all the rights and privileges, and subject to all the liabilities, to which the original insured was entitled and subjected under this act.

SEC. 16. If any alteration shall be made in any house or building, by the proprietor thereof, after insurance has been made thereon with said company, whereby it may be exposed to greater risk or hazard from fire than it was at the time it was insured, then, and in every such case, the insurance made upon such house or building shall be void, unless an additional premium and deposite, after such alteration, be settled with and paid to the directors; but no alteration or repairs in buildings, not increasing such risk or hazard, shall in anywise affect the insurance previously made thereon.

SEC. 17. In case any building or buildings, situated upon leased lands and insured by said company, be destroyed by fire, and the owner or owners thereof shall prefer to receive the amount of such loss in money, in such case the directors may retain the amount of the premium note given for the insurance thereof until the time for which insurance was made shall have expired; and at the expiration thereof, the assured shall have the right to demand and receive such part of said retained sum or sums as has not been expended in losses and assessments.

SEC. 18. If insurance on any house or building shall be and subsist in said company and in any other office, or from and by any other person or persons, at the same time, the insurance made in and by said company shall be deemed and become void, unless such double insurance subsist by and with the consent of the directors, signified by endorsement on the back of the policy, signed by the president and secretary.

SEC. 19. The company hereby created shall not be connected in any trade or other business, except the insurance of property against loss or damage by fire; nor shall said company, by any possible construction of the powers granted in this act, exercise any banking privileges whatever; but this act shall be deemed and taken to be a public act, and shall be liberally construed to effect the ends and purposes hereby intended and contemplated.

SEC. 20. The directors of said company shall not make more than one assessment for losses in any one year; and in order that such assessment may be made payable at the annual meeting of the company, the directors are authorized, in case of any loss or damage by fire, to borrow such sum or sums of money as may be required to pay such loss or damage; and in making the annual assessment, the interest accruing on money borrowed, and also all necessary incidental expenses, shall be included in each assessment.

SEC. 21. Each and every member of said company shall be entitled to and allowed an examination of the books, papers, and general transactions of said company, upon application therefor to the secretary.

SEC. 22. It shall be the duty of the directors to make an annual report of the condition, progress, and affairs of said company; a copy of which report shall be furnished to the General Assembly.

SEC. 23. The individuals named in the first section of this act shall be, and they hereby are, constituted a board of directors for said company, to serve as such until the first annual election of directors therein provided for. They shall have power, if they think fit, to make up their number to fifteen, as allowed in the third section of this act, from among the members of said company; and all the vacancies which may occur in said board, by death, resignation, removal, or refusal to serve, may be filled by the remaining members of said board; and a majority of their number at any time shall constitute a quorum for the transaction of business. They may

call the first meeting of the members of said company, at any suitable time and place, in Alton aforesaid, by advertisement in the several newspapers printed in said town, giving at least ten days' notice of the place, time, and design of the meeting.

They may make and establish by-laws for the government of said company until the first annual meeting thereof; and may transact any business necessary and proper to carry into effect

the provisions and interest [intent] of this act: *Provided, however,* That no policy shall be issued by said company until his excellency the Governor of the State shall have made proclamation that application has been made for insurance in said company on fifty thousand dollars at least; of which notice shall be given him by the directors.

SEC. 24. This act shall take effect from and after its passage.

APPROVED, February 23, 1839.