

SEC. 9. Application of funds. That all funds and property, held by this institution, and all rents, interests, and annuities, shall be faithfully applied, for the benefit of education and science.

SEC. 10. No religious test of admission. That said institution shall be under charge of the Methodist Episcopal Church, but there shall be no religious test for the admission of students to said institute.

SEC. 11. That any future legislature, shall have power to alter, amend or repeal this act.

Approved February 17, 1842.

CHAPTER 124.

AN ACT to incorporate an insurance company at the town of Farmington, Van Buren county.

Be it enacted by the Council and House of Representatives of the Territory of Iowa:

SECTION 1. Company established—amount of capital may be increased—proviso—amount of shares. That an insurance company shall be, and is hereby established, in the town of Farmington, with a capital stock of not less [113] than fifty thousand dollars, which may be increased from time to time, in such manner as the directors of said company may prescribe, to any amount not exceeding five hundred thousand dollars, divided into shares of one hundred dollars each, to be subscribed and paid for by individuals, companies, or corporations, as herein directed.

SEC. 2. Payments—forfeit—balance subject to call of directors—not to make a policy until shares paid. That at the time of subscribing, there shall be paid on each share one dollar, and nine dollars more within thirty days after the first election of directors. If any stockholder fail to make such payment, such stockholder shall forfeit the amount paid on such stock, at the time of subscribing; the balance due on each share shall be subject to the call of the directors, and the said company shall not be authorized to make any policy or contract of insurance until the whole amount of shares subscribed shall be actually paid in, or secured to be paid on demand, by approved notes, or mortgages on real estate.

SEC. 3. Names of commissioners to open subscription books—place or places—when first election to be held—books, papers, monies, etc., of commissioners to be delivered to directors as soon as elected—books may be reopened. That Jonas Houghton, Isaac A. LeFever, Jesse Wright, Lawrence Scott, and Solomon Beckley, or any three of them, are hereby constituted commissioners to open books for the subscription for the capital stock of said company, at such time as they may deem expedient, in Farmington, and at such other places as they may think proper, under their own superintendence, or such other persons as they may appoint, and keep them open until one hundred shares at least, are subscribed; and whenever one hundred shares, or upwards, shall have been subscribed, the said commissioners, shall by public notice, appoint the time and place of holding the first election of directors, who shall continue in office until their successors are chosen at the next annual election. It shall be the duty of the commissioners as soon as the board of directors are elected, to deliver over [to] them all books and papers, and pay over all moneys they may have received, belonging to said company, deducting therefrom their reasonable expenses; and the said directors shall have power to reopen said subscription books at any time and place, until the whole stock be taken.

SEC. 4. President—vacancy or resignation—secretary, clerks, agents, etc. salaries, how fixed.—That the directors regularly chosen by the stockholders, shall as soon as may be, after the first and every annual election, choose out of their own body, a president, who shall preside in the board until the next annual election. In case of death, removal, or resignation of the president, or any director, the vacancy shall be filled by the board of directors; they may appoint a president pro-tempore in case of the absence of the president, they shall also appoint a secretary and all subordinate officers, clerks, agents, and servants, who shall hold their offices during the pleasure of the board, they may, from time to time, appoint one or more persons from their body, to assist in transacting the business of said company, with such salaries as they may think proper, they shall fix the president, and all other officers, define their powers, and prescribe their duties.

SEC. 5. Company made a body corporate—name and style—may sue and be sued, etc.—seal. That the subscribers for the stock of said company, their associates, successors, and assigns, shall be and they are hereby ordained, constituted, and appointed a body corporate and politic, by the name and style of "The Farmington Insurance Company," and by that name they and their successors shall have perpetual succession, and shall be capable in law, of contracting and being contracted with, of suing and being sued, of impleading and being impleaded, of answering and being answered unto, of defending and being defended against, in all courts and places whatever, in all manner of actions, suits, and complaints, and causes, and they [114] and their successors may have and use a common seal, and may alter or change the same at pleasure.

SEC. 6. Powers of corporation—kinds of insurance—fix the premium of insurance—may loan—proviso—per cent—may be insured themselves. That the corporation hereby created, shall have full power and authority, to make all kinds of insurance against loss on ships, steamboats, or other vessels, their cargoes, goods, wares, merchandise, freight, produce, property of every kind, in the course of transportation by land or water, and to make insurance against loss or damage by fire, on land or water, on every description of property or merchandise; to make all kinds of insurance upon lives, and to make such other insurance as they may judge expedient; to fix the premium of insurance, to lend money on bottomry and respondentia, to lend their surplus, or unemployed capital; provided, said corporation shall loan nothing but gold and silver, or the notes of specie paying banks, such as are at par credit in said town of Farmington, or city of St. Louis, Missouri, on real or personal securities, to companies, corporations, or individuals, at a reasonable rate of interest, not to exceed in any case ten per cent. per annum; the said company may also cause themselves to be insured, against all maritime and other risks, and upon the interest they may have in any vessel, goods, or merchandise, in virtue of any loans they may have on bottomry or respondentia, or against all losses they may incur by reason of any insurance made by them on any life or lives, or against losses by fire, the perils of the sea, or inland navigation and transportation.

SEC. 7. Directors—shall be elected by stockholders—term of service—election by ballot—notice of elections, etc., to be made public—votes—proxy—proviso. That the stock, property, and affairs of the company or corporation aforesaid, shall be managed and conducted by five directors, who shall be stockholders of said company, residing within this territory, and after the first election, they shall be elected by the stockholders, annually, on the first Monday in January, at the office of the company, unless the directors appoint some other place, and they shall hold their office one year, or until their successors are chosen in like manner and no longer; such election shall be by ballot, under the inspection of the stockholders, (holding no office in said company) to be previously appointed by the board of directors; notice of every election of directors, and all other general meetings of the stockholders, shall be made public for at

least twenty days previous to such meeting, and at every such meeting or election, each share shall entitle the holder to vote. Absent stockholders may vote by proxy, such proxy being made in writing to a stockholder present at such meeting. In case it shall happen, that an election of directors shall not be made on any day that it ought to have been made, pursuant to this act, the said corporation shall not for that cause be dissolved, but it shall be lawful, on any other day, to hold an election of directors, in such manner, as the by-laws and ordinances of the said company may direct.

SEC. 8. Board—power to make by-laws—to manage funds—to insure—to settle and adjust losses—to make dividends—president may insure, fix premiums, etc.—and do all acts necessary to the management of the corporation. That a majority of the directors of said company, shall constitute a board, competent to transact the business of the corporation; they shall have power and authority to make all necessary by-laws, rules and regulations, for their own government, and for the management and disposition of the stock, property, and funds of the business of said company, to insure against all risks, authorized by this act, to receive for the amount of premiums and guarantees, such notes, endorsed and payable in such manner, and at such times as they may think proper, in conformity to the by-laws made on the subject, to settle and adjust all losses for which [115] the company may become liable, to arbitrate and compromise all doubtful claims against said company for loss or damages, to declare and make dividends semi-annually, of so much of the clear profits arising from the business of the company, as shall appear to them advisable, and cause the same to be paid to the stockholders, in proportion to the amount paid by each respectively; the board of directors may, however, confide to the president, or any two of the directors, the power of insuring risks, fixing, and receiving premiums and guarantees, adjusting and paying losses, to such an amount as they may think prudent, and the power to do and perform all acts, necessary and convenient for the management of the affairs of said corporation, and to carry into effect the powers and purposes of this act.

SEC. 9. Policies, etc., to be subscribed by the president. That all policies or contracts of insurance, and instruments of guarantee, made by said company, shall be subscribed by the president, or the president pro tempore, and attested by the secretary.

SEC. 10. Duty of secretary. That it shall be the duty of the secretary, at every annual election, or other general meeting of the stockholders, to lay before them a correct and particular statement of the condition and affairs of the company.

SEC. 11. That the board of directors shall convene according to their by-laws, or whenever required by the president, or any two of the directors.

SEC. 12. Stock to be considered personal property. That the stock of said company, shall be considered personal property, and shall be assignable and transferrable on their books, or otherwise, according to such rules and restrictions as the board of directors shall make and establish.

SEC. 13. May purchase real estate—limits. That it shall be lawful for the company to purchase and hold such real estate as shall be necessary for the transaction of its business, not exceeding the yearly value of five thousand dollars.

SEC. 14. May hold real estate security—may purchase in virtue of judgment. That the company may also take, and hold real estate, as security, or on mortgage, or pledge, to secure the payment of debts due to the company, either for shares of capital stock, or otherwise, to purchase and hold real estate sold in virtue of any judgment, or decree, in favor of said company, and to receive and hold real estate in satisfaction of any debts due to the company, previously contracted in the course of its lawful dealings.

SEC. 15. Not to deal in goods, wares, etc. That the said company shall not

employ any of its stock, funds, or money, in buying or dealing in goods, wares, merchandise or other commodities.

SEC. 16. Premiums agreed on—vendor may under notice assign to vendee—company may be exonerated. That said company may charge such premiums on its policies as may be agreed on by the parties, and if the property insured, be sold, the vender may assign to the vendee the policy, but shall give notice of such assignment to the company before any loss happen, and said company when notified, shall be at liberty to return a ratable proportion of the premium, and be exonerated therefrom.

SEC. 17. Loss to be paid within 60 days. That when the company shall be notified of any loss incurred on any policy made by it, without any misconduct or violation of the policy, on the part of the insured, it shall pay the amount lost, within sixty days after notice.

SEC. 18. Officers to give bond. That the directors of said company, may require sufficient bond and security from any officer of the company, conditioned for the faithful performance of his duties.

[116] **SEC. 19. To continue in force 30 years only—name and style may be used longer for final settlement.** That this act shall be liberally construed for the beneficial purposes intended, and shall take effect from and after its passage, and shall continue in force for thirty years, and no longer, but after the expiration of said term, it may use said corporate name, style and capacity for the purpose of suits, and other necessary transactions, for the final settlement and liquidation of the accounts and business of said company, and for the sale of real estate and other property, but not for any other purposes.

SEC. 20. May be altered, amended or repealed. That this act may be altered, amended, or repealed, by any subsequent legislature, for any fraud or abuse of any of the provisions herein contained.

SEC. 21. Stockholders individually liable. That the stockholders of said company shall be individually liable for the payment and fulfillment of all debts or contracts made by said institution, if it should at any time become insolvent.

Approved February 17, 1842.

CHAPTER 125.

AN ACT to provide for the compensation of members, officers, and printers of the legislative assembly, and for other purposes.

Be it enacted by the Council and House of Representatives of the Territory of Iowa:

SECTION 1. Monies appropriated. That the following sums are hereby appropriated, out of any monies in the hands of the Secretary of the Territory, for the following purposes, viz.:

SEC. 2. Pay of members of house of representatives. For pay and mileage of the members of the house of representatives, the sum of six thousand four hundred and thirty-four dollars and eighty cents.

SEC. 3. Pay of officers of house of representatives. For pay of officers of the house of representatives, two thousand seven hundred dollars.

SEC. 4. Pay of members of council. For pay and mileage of the members of the council, three thousand two hundred and fourteen dollars and fifty cents.

SEC. 5. Pay of officers of council—proviso. For pay of officers of the council, two thousand twenty-five dollars: provided, that Daniel Chance, shall receive the sum of ninety dollars, out of the allowance hereby made to firemen of the