

- (1) business insurance;
- (2) explosion insurance;
- (3) tornado insurance;

upon the said premium or upon the mutual system, but except as hereinafter provided, the amount of insurance written in any year on the cash premium system shall not exceed one-half of the amount written during the said year on the mutual system, nor shall the amount of insurance in force at any time on the cash premium system exceed one-half of the amount in force at the said time on the mutual system.

6. The Company shall not commence business until four and a half months after the date of the filing of this certificate, and no application have been received for insurance on the mutual system to an amount of at least ten million dollars.

7. (1) Within the Company shall acquire a surplus to the amount of three hundred and fifty thousand dollars and so long as the Company shall maintain a surplus of three hundred and fifty thousand dollars, the provisions of section four of the Act respecting the limitation of the amount of insurance written and in force on the cash premium system shall cease to apply.

(2) In the certificate the word "surplus" means the excess of assets over liabilities, including the reserve of guaranteed premiums estimated pro rata for the unexpired term of all policies of the Company in force.

8. (1) There shall be elected at the first annual meeting and at each subsequent annual meeting a board of not less than nine nor more than twelve directors who shall hold office as hereinafter provided.

(2) The Company shall, by by-law passed not less than three months prior to the holding of its second annual meeting after the passing of this Act determine the number of directors to be elected at said annual meeting by the shareholders. The Company may, by the said by-law provide that the directors shall be elected for one, two or three years. If the by-law provides for two years or three years, it shall be lawful for the directors or the board of directors to elect any one or more of the directors or the board of directors for less than one-third shall retire annually. All retiring directors shall be eligible for re-election.

9. Any policyholder who holds a policy or policies to the amount of at least one thousand dollars who is not in default in respect of any premium or any assessment on his deposit or premium note and who has paid up with all liabilities incurred by him to the Company shall be eligible