

CHAPTER 64

FRATERNAL BENEFICIARY ASSOCIATIONS

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**64.01 DEFINITIONS.** Subdivision 1. **Words, terms, and phrases.** Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases shall, for the purposes of sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37, be given the meanings subjoined to them.

Subdivision 2. **Fraternal beneficiary association.** Any corporation, society, order, or voluntary association without capital stock, organized and carried on solely for the mutual benefit of its members and their beneficiaries, and not for profit, and having a lodge system with ritualistic form of work and representative form of government, and which shall make provision for the payment of death or disability benefits, or for the payment of endowments, is hereby declared to be a fraternal beneficiary association; provided, that any beneficiary society or association, whose membership is confined to the members of any one religious denomination, shall only be required to have a branch system and a representative form of government.

Subdivision 3. **Lodge system.** Any association having a supreme governing or legislative body and subordinate lodges or branches, by whatever name known, into which members shall be elected, initiated, and admitted in accordance with its constitution, laws, rules, regulations, and prescribed ritualistic ceremonies, which subordinate lodges or branches shall be required by such association to hold regular or stated meetings at least once in each month, shall be deemed to be operating under the lodge system; provided, that any beneficiary society or association whose membership is confined to the members of any one religious denomination shall not be required to have ritualistic form of work or ceremonies.

Subdivision 4. **Representative form of government.** Any association shall be deemed to have a representative form of government when it shall provide in its constitution and laws for a supreme legislative or governing body composed of representatives elected either by the members or by delegates elected by the mem-

bers through a delegate convention system, together with such other members as may be prescribed by its constitution and laws; provided, that the elective representatives shall constitute a majority in number and have not less than a majority of the votes, nor less than the votes required to amend its constitution and laws; and, provided, further, that the meetings of the supreme or governing body and the election of officers, representatives, or delegates shall be held as often as once in four years.

Subdivision 5. **Association.** The word "association" shall be taken and construed as meaning a fraternal beneficiary corporation, society, order, or voluntary association, as defined in subdivision 2.

Subdivision 6. **Domestic association.** The words "domestic association" shall be taken and construed as meaning an association organized or incorporated under the laws of this state.

Subdivision 7. **Foreign association.** The words "foreign association" shall be taken and construed as meaning an association organized or incorporated under the laws of another territory, district, state, province, or country.

Subdivision 8. **State.** The word "state" shall be taken and construed as meaning "state," "territory," "district," "country," or "province."

[1907 c. 345 ss. 1, 2, 3, 30; 1915 c. 96 ss. 1, 2; 1927 c. 264] (3447, 3448, 3449, 3487)

**64.02 BENEFITS; FUNERAL EXPENSES; TAX EXEMPTIONS; EXCEPTIONS.** Any beneficiary or fraternal association may make provisions for the payment of benefits in case of sickness, or temporary or permanent physical disability, as a result of disease, accident, or age exceeding 70 years, and may also provide for the payment of funeral expenses of a member not exceeding \$250.00; in any case, all of these benefits to be paid, subject to compliance by its members with its constitution and by-laws, out of funds derived from assessments and dues collected from its members. Payments of death benefits shall be made only to the families, heirs, blood relatives, adopted children, fiancée of the member, or persons dependent upon him, or, when his certificate of membership may so provide, the executor or administrator of the estate of the member in trust for the person or persons above mentioned as may be designated in the certificate. Any member who, by reason of old age or other disability, is dependent for his support, in whole or in part, upon another, whether or not such other stands in the above relationship to him, may, with the consent of the association, and under such regulations as it may prescribe, designate the person upon whom he is so dependent as a beneficiary under his certificate; and, in such case, the death benefits shall be paid according to this designation. Every association may create and maintain a reserve fund for that purpose and shall be held to be an institution of public charity, and shall be exempt from payment of any taxes for state, county, or municipal purposes, except that the real estate of the association shall be taxed as other real estate in the state.

Any aid society confining its membership to one religious denomination, not operating for profit, and not charging stipulated premiums, which has been so operating in this state for more than 30 years and which pays death benefits not exceeding \$1,000 in any one case, shall not be subject to the insurance laws of this state.

[R. L. s. 1703; 1907 c. 382 s. 2; 1925 c. 349; 1929 c. 202] (3446, 3446-1)

**64.03 DEPUTY TO ACT IN INABILITY OF COMMISSIONER.** In the event of a vacancy in the office of the commissioner, or in the absence or disability of that officer, the deputy insurance commissioner shall perform all the duties required of the commissioner by sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37.

[1907 c. 345 s. 30] (3487)

**64.04 SCOPE.** Except as therein provided, the association shall be governed by sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37 and shall be exempt from all provisions of the insurance laws of this state, not only in governmental relations with the state, but for every other purpose, and no law hereafter passed shall apply to them unless they be expressly designated therein.

The beneficiary society or association shall be governed by the provisions of sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37 and be exempt from all provisions of the insurance laws of this state to the same extent as fraternal beneficiary associations.

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All provisions of sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37, except as otherwise provided, shall be taken and construed as applying to both domestic and foreign associations.

The members, officers, representatives or delegates of a fraternal beneficiary society shall not vote by proxy.

[1907 c. 345 ss. 1, 3, 4, 30; 1915 c. 96 s. 1; 1927 c. 264] (3447, 3449, 3450, 3487)

**64.05 BENEFITS; RESERVES.** Every association transacting business under sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37 shall provide for the payment of death or disability benefits, or both, and may provide for the payment of benefits in case of temporary or permanent physical disability, either as the result of disease, accident, or old age; provided, the period of life at which the payment of benefits for disability on account of old age shall not be under 70 years. Any such association may grant to its members extended and paid-up protection or such withdrawal equities as its constitution and laws may provide; provided, that these grants shall in no case exceed in value the portion of the reserves to the credit of the members to whom they are made, and that the association shall show, by an annual valuation made by a competent actuary approved by the commissioner, that it is accumulating and maintaining for the benefit of these members the reserves required by the American experience table of mortality, with interest at the rate of four per cent per annum, or by the national fraternal congress table of mortality, with interest at the rate of four per cent per annum, and the association shall carry as a liability the reserves so determined, and that assets representing these reserves shall be held in trust for these members separate and distinct from assets belonging to members holding certificates on which these reserves are not maintained, and that the assets so held in trust shall not be used to pay any claims or benefits upon any certificates to members other than to the members for whom these assets are so held in trust.

Nor shall anything contained therein, or contained in the laws of this state regulating fraternal benefit societies, orders, or associations, be held to restrict the right of any fraternal benefit society in the use of any surplus over and above the accumulation required by the table by which the rates are computed and the accretions thereon, as prescribed by the laws or rules of the society; provided, the same are used for the common benefit of all the members.

Any fraternal benefit society which shall accumulate and maintain the assets required for the payment of benefits upon all contracts when valued by mortality and interest standards which provide reserves not less than those prescribed by the mortality tables and interest rates therein mentioned or the mortality tables and interest rates prescribed by law for life insurance companies, may enter into contracts with such persons in such forms and granting such benefits under such conditions as its laws may provide.

[1907 c. 345 s. 5; 1919 c. 35 s. 1; 1923 c. 224 s. 1; 1931 c. 381] (3451)

**64.06 BENEFICIARIES.** The payment of death benefits shall be confined to the wife, husband, family, relatives by blood or marriage, including illegitimate children, parent or child by adoption, affianced husband or wife, a person dependent on the member or on whom the member is dependent, the member's estate, a benevolent, educational, religious, or charitable corporation, or to an incorporated institution for the support of the member; provided, that the member may at any time, by written instrument, authorize the society to provide and pay for the support, care, medical and surgical treatment, and funeral of such member and deduct the amount so paid, with legal interest, from the net reserve to the credit of the member's certificate or from the amount otherwise payable under the certificate to the beneficiary, or the member may, at any time, designate the society as beneficiary and, in such case, the society shall use this reserve or amount to the extent necessary for the purposes aforesaid. Any society may limit the beneficiaries within the above classes.

Members shall have the right to change their beneficiaries within the above limits by complying with the requirements in that behalf prescribed by the society.

[1907 c. 345 s. 6; 1921 c. 287 s. 1] (3452)

**64.07 AGE OF ADMISSION TO FRATERNAL BENEFICIARY SOCIETIES.** No association shall admit to beneficial membership any person less than 16, nor more than 60, years of age, nor any person who has not been examined by a legally qualified practicing physician and whose examination has not been approved by the supervising medical authority of the association, as provided by the laws of the

association; provided, that in lieu of the medical examination above required, a declaration of insurability may be accepted by the association on an applicant under 45 years of age and for benefits not exceeding \$2,500; provided, further, that this examination or declaration of insurability shall not be required of associations paying only accident or sick benefits or funeral benefits not exceeding \$300.

[1907 c. 345 s. 7; 1939 c. 411 s. 1] (3453)

**64.08 ANNUITY BENEFITS FOR CHILDREN.** Any fraternal beneficiary association authorized to do business in this state and operating on the lodge plan may provide in its constitution and by-laws, in addition to other benefits provided for therein, for the payment of death, annuity, or endowment benefits upon the lives of children below the age of 16 years at next birthday. Any person responsible for the support of a child may make application for these benefits; but neither such person nor the parent of the child need be a member of the association; provided, that the society has a class of adult membership carrying life insurance certificates at a rate of contribution at least equal to those known as national fraternal congress rates, or upon a table based upon the society's own experience of at least 20 years, covering not less than 100,000 lives, with an interest assumption of not more than four per cent per annum, or any higher standard at the option of the society, to which juvenile certificate holders shall be transferred without medical reexamination upon attaining the age of 16 years. Any such association may, at its option, organize and operate branches for such children and membership in local lodges and initiation therein shall not be required of such children, nor shall they have any voice in the management of the association. The total benefits payable by the society, as above provided, shall in no case exceed the following amounts at ages at next birthday at the time of death, respectively: One, \$100; two, \$200; three, \$400; four, \$600; five, \$800; six to 16 years where not otherwise authorized by law, \$1,000, and shall be payable to the estate of the child or to the person or persons responsible for the support of the child and named as beneficiary in the certificate.

[1919 c. 20 s. 1; 1921 c. 111; 1925 c. 322 s. 1; 1927 c. 277 s. 1; 1929 c. 132 s. 1] (3454)

**64.09 BENEFICIARY CERTIFICATES FOR CHILDREN.** No benefit certificate as to any child shall take effect until after medical examination by a licensed medical practitioner, or other acceptable evidence of insurability in accordance with the laws of the association, nor shall any such benefit certificate be issued unless the association shall simultaneously put in force at least 500 such certificates, on each of which at least one assessment has been paid, nor where the number of lives represented by such certificates falls below 500. The death benefit contributions to be made upon the certificate shall be based upon the standard industrial mortality table or the English life table number six, and a rate of interest not greater than four per cent per annum, or upon a higher standard; provided, that contributions may be waived or returns may be made from any surplus in excess of reserve and other liabilities, as provided in the by-laws; and provided, further, that extra contributions shall be made if the reserves hereafter provided for become impaired.

[1919 c. 20 s. 2; 1939 c. 411 s. 2] (3455)

**64.10 RESERVE REQUIRED.** Any association entering into such insurance agreements shall maintain on all such contracts the reserve required by the standard of mortality and interest adopted by the association for computing contributions, as provided in section 64.09, and the funds representing the benefit contributions and all accretions thereon, shall be kept as separate and distinct funds, independent of the other funds of the association, and shall not be liable for nor used for the payment of the debts and obligations of the association other than the benefits herein authorized. An association may provide that when a child reaches the minimum age for initiation into membership in the association, any benefit certificate issued hereunder may be surrendered for cancellation and exchanged for any other form of certificate issued by the association, and upon the issuance of the new certificate any reserve upon the original certificate herein provided for shall be transferred to the credit of the new certificate. Neither the person who originally made application for benefits on account of the child, nor the beneficiary named in the original certificate, nor the person who paid the contributions, shall have any vested right in the new certificate, the free nomination of a beneficiary under the new certificate being left to the child so admitted to benefit membership.

[1919 c. 20 s. 3] (3456)

**64.11 ANNUAL REPORT.** An entirely separate financial statement of the business transactions and of assets and liabilities arising therefrom shall be made in its annual report to the commissioner by any association availing itself of the provisions hereof. The separation of assets, funds, and liabilities required hereby shall not be terminated, rescinded, or modified, nor shall the funds be diverted for any use other than as specified in section 64.10 as long as any certificate issued hereunder remains in force, and this requirement shall be recognized and enforced in any liquidation reinsurance, merger, or other change in the condition of the status of the association.

[1919 c. 20 s. 4] (3457)

**64.12 SPECIFIED EXPENSE.** Any association shall have the right to provide in its laws and the certificate issued hereunder for specified payments on account of the expense or general fund, which payments shall or shall not be mingled with the general fund of the association, as its constitution and by-laws may provide.

[1919 c. 20 s. 5] (3458)

**64.13 VALUATIONS BY COMMISSIONER.** The commissioner may make a valuation of such benefit certificate, or he may accept the valuation thereof made by the insurance commissioner of the state under whose authority the association is organized, when that valuation has been made on sound and recognized principles, when furnished with a certificate of that commissioner setting forth the value on the last day of the preceding year. Every association which fails to promptly furnish the certificate required shall, on demand, furnish the commissioner detailed lists of all its certificates and securities and shall be liable for all charges and expenses resulting therefrom.

[1919 c. 20 s. 7] (3460)

**64.14 CERTIFICATES; EVIDENCE; AMENDMENTS TO CHARTER.** Every certificate issued by any association shall specify the maximum amount of benefit provided by the contract and shall provide that the certificate, the constitution and laws of the association, and the application for membership and medical examination, signed by the applicant, shall constitute the contract between the association and the member, and copies of the same, certified by the secretary of the association, or corresponding officer, shall be received in evidence of the terms and conditions of the contract; and any changes, additions, or amendments to the charter or articles of association, constitution, or laws duly made or enacted subsequent to the issuance of the benefit certificate shall bind the member and his beneficiaries and govern and control the contract in all respects the same as though the changes, additions, or amendments had been made prior to and were in force at the time of the application for membership. Any association hereafter organized or admitted to do business in this state shall, in its certificates, specify a fixed minimum amount of benefit. Any association organized or admitted to do business in this state may, with the approval of the commissioner, reinsure all or any part of the amount specified in the certificate in excess of the amount of \$5,000 in a company authorized to do business in this state.

[1907 c. 345 s. 8; 1929 c. 102] (3461)

**64.15 RESERVE FUND; BENEFITS; EXPENSES; EXTRA ASSESSMENTS.** Any association may create, maintain, invest, disburse, and apply a reserve, emergency, surplus, or other fund in accordance with its constitution and laws, for the purpose specified in section 64.05. Any association so creating, maintaining, investing, disbursing, or applying any such reserve, emergency, or surplus fund shall not be held to be organized or carried on for profit within the intent of the provisions of section 64.01. These funds shall be held, invested, and disbursed for the use and benefits of the association, and no member or beneficiary shall have or acquire any individual rights therein, or be entitled to an apportionment or the surrender of any part thereof, except as provided in section 64.05. The funds from which benefits shall be paid and the funds from which the expenses of the association shall be defrayed shall be derived from periodical or other payments by the members of the association and accretions of these funds; and every association shall provide in its constitution or laws that if the regular payments are insufficient to pay all matured death and disability claims in full and to provide for the creation and maintenance of the funds required by its constitution and laws, extra assessments, or other payments, may be levied upon the members to meet the deficiency.

[1907 c. 345 s. 9; 1919 c. 35 s. 2] (3462)

**64.16 REAL ESTATE HOLDINGS; INVESTMENTS; LOANS TO OFFICERS AND DIRECTORS.** Any association may invest its funds in and hold real estate for lodge and office purposes, and real estate acquired by foreclosure or received in satisfaction of loans, and may sell and convey the same. Any such association may also invest its funds in bonds of the United States, bonds of the State of Minnesota or any state of the United States, or of the Dominion of Canada or any province thereof, bonds of any county, city, town, village, organized school district, municipality or civil division of this state, or of any state of the United States or of any province of the Dominion of Canada, provided that such bonds shall be a direct obligation on all the taxable property within such municipality or district and the net indebtedness of such municipality or district shall not exceed ten per cent of the value of all the taxable property therein, according to the last valuation for taxation preceding the issuance of said bonds; or in first mortgages or first mortgage bonds upon improved real estate for not exceeding 50 per cent of the actual cash value thereof at the time of making the loan, unless such loans are on an amortized basis, where by reason of monthly payments the loan is paid off in not to exceed 20 years, then such loans may be based on 66% per cent of the actual cash value thereof; or in any securities permitted by the laws of this state for the investment of the assets of life insurance companies; provided, that every foreign association shall be empowered to invest its funds in such securities as may be permitted by the laws of the state, province or country in which it is organized. No such association shall loan any of its funds to any of its officers or directors.

[1907 c. 345 s. 10; 1913 c. 359 s. 1; 1929 c. 156; 1939 c. 166; 1943 c. 271 s. 1] (3463)

**64.17 EXPENSES.** Every association shall make provision in its constitution and laws for payment by members of the association, which provision shall state the purpose of the same and a proportion thereof which may be used for expenses, and no part of the money collected for mortuary or disability purposes and no part of the reserve, emergency, or surplus funds or the net accretions of either or any of these funds shall be used for expenses. From the accretions to the principal of the emergency fund may be paid the taxes, if any, and the expense actually and necessarily incurred in the investment and protection of that fund; and from the savings in mortality may be paid the expenses of medical examination and inspection of risks.

[1907 c. 345 s. 11; 1913 c. 324 s. 1; 1921 c. 340 s. 1] (3464)

**64.18 BENEFITS EXEMPT FROM PROCESS; TAX EXEMPTION.** The money or other benefits, charity, relief, or aid to be paid, provided, or rendered by any association authorized to do business under sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37 shall, neither before nor after being paid, be liable to attachment, garnishment, or other process and shall not be seized, taken, appropriated, or applied by any legal or equitable process or operation of laws to pay any debt or liability of a certificate holder or of any beneficiary named in a certificate, or of any person who may have any right thereunder; these associations are hereby declared to be charitable institutions, and the property held and used for lodge purposes, and the funds of these associations shall be exempt from taxation under the general tax or revenue laws of this state, except that the real estate of the association shall be taxable.

[1907 c. 345 s. 12] (3465)

**64.19 METHODS OF FORMING ASSOCIATION; POWERS AND DUTIES OF COMMISSIONER; CERTIFICATE; DISCONTINUANCE.** Seven or more persons, citizens of the United States, and a majority of whom are citizens of this state, who desire to form a fraternal beneficiary association, as defined in section 64.01, may make and sign, giving their addresses, and acknowledge before some officer competent to take acknowledgment of deeds, articles of association in which shall be stated:

(1) The proposed corporate name of the association, which shall not so closely resemble the name of any association or insurance company already transacting business in this state as to mislead the public or lead to confusion;

(2) The purpose for which it is formed, which shall not include more liberal powers than are granted by section 64.01; provided, that any lawful social, intellectual, educational, moral, or religious advantages may be set forth among the purposes of the association, and the mode in which its corporate powers are to be exercised; and

(3) The names, residences, and official titles of all the officers, trustees, directors, or other persons who are to have and exercise the general control and management of the affairs and funds of the association for the first year or until the ensuing election, at which all these officers shall be elected by the supreme legislative or governing body.

The articles of association and duly certified copies of the constitution, laws, rules, and regulations, and copies of all proposed forms of benefit certificates, applications therefor and literature to be issued by the association, and a bond in the sum of \$5,000, with sureties approved by the commissioner, conditioned upon the return of the advanced payments, as provided in this section, to applicants, if the organization is not completed within one year, or after such further period, not exceeding one year, as may be authorized by the commissioner, shall be filed with the commissioner, who may require such further information as he deems necessary, and if the purposes of the association conform to the requirements of sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37 and all provisions of law have been complied with, the commissioner shall so certify and retain and record the articles of association in a book kept for the purpose and furnish the incorporators a preliminary certificate authorizing the association to solicit members as herein provided.

Upon receipt of the certificate from the commissioner, the association may solicit members for the purpose of completing its organization, and shall collect from each applicant the amount of not less than one death benefit assessment or payment, in accordance with its tables of rates, as provided by its constitution and laws, and shall issue to each applicant a receipt for the amount so collected. No association shall incur any liability other than for the advanced payments, nor issue any benefit certificate, nor pay or allow, or offer a promise to pay or allow, to any person, any death or disability benefit until actual bona fide applications for death benefit certificates have been secured upon at least 500 lives for at least \$1,000 each, and all these applicants for death benefits shall have been regularly examined by legally qualified practicing physicians and certificates of these examinations have been duly filed and approved by the chief medical examiner of the association, nor until there shall be established ten subordinate lodges or branches into which the 500 applicants have been initiated, nor until there has been submitted to the commissioner, under oath of the president and secretary or corresponding officers of the association, a list of these applicants, giving their names, addresses, date examined, date approved, date initiated, name and number of the subordinate branch of which each applicant is a member, amount of benefits to be granted, rate of regular payments or assessments, which shall not be lower for death benefits than those required by the national fraternal congress table of mortality, with interest at four per cent per annum; nor until it shall be shown to the commissioner, by the sworn statement of the treasurer or corresponding officer of the association, that at least 500 applicants have each paid, in cash, at least one regular monthly payment or assessment, as herein provided, per \$1,000 of indemnity to be effected, which payments, in the aggregate, shall amount to at least \$2,500, all of which shall be credited to the mortuary or disability fund on account of these applicants, and no part of which may be used for expenses. These advanced payments shall, during the period of organization, be held in trust for and, if the organization is not completed within one year, as hereinafter provided, returned to the applicants.

The commissioner may make such examination and require such further information as he deems advisable and, upon presentation of satisfactory evidence that the association has complied with all the provisions of the law, he shall issue to the association a certificate to that effect. This certificate shall be prima facie evidence of the existence of the association at the date of the certificate. The commissioner shall cause a record of the certificate to be made and a certified copy of this record may be given in evidence with like effect as the original certificate.

No preliminary certificate granted under the provisions of this section shall be valid after one year from its date, or after such further period, not exceeding one year, as may be authorized by the commissioner upon cause shown, unless the 500 applicants herein required have been secured and the organization has been completed, as herein provided, and the articles of association and all proceedings thereunder shall become null and void in one year from the date of the preliminary certificate or at the expiration of the extended period, unless the association shall

have completed its organization and commenced business as herein provided. When any domestic association shall have discontinued business for the period of one year, its charter shall become null and void.

[1907 c. 345 s. 18] (3466)

**64.20 EXISTING ASSOCIATIONS; POWERS.** Any domestic association now engaged in transacting business in this state may exercise, after passage of Laws 1907, Chapter 345, all of the rights conferred thereby; and, in addition thereto, may exercise all of the rights, powers, and privileges now exercised or possessed by it under its charter or articles of association not inconsistent with Laws 1907, Chapter 345, or it may be reincorporated thereunder. No such association already organized shall be required to reincorporate thereunder, nor shall it be required to adopt the rates prescribed therein for new associations, in order to avail itself of the privileges thereof, and any such association may amend its articles of association, from time to time, in the manner provided therein, or in its constitution or laws, and all the amendments shall be filed with the commissioner and become operative upon such filing unless a later time be provided in the amendments, or in its articles of association, constitution, or laws.

Any such society may continue to do business in this state until the first day of March, 1909. The commissioner shall then, if he finds that the society is complying with the provisions of Laws 1907, Chapter 345, issue to it a license authorizing it to continue the transaction of business in this state until the first day of the succeeding March, and the license may be renewed annually, but in all cases to terminate on the first day of the succeeding March. For each license or renewal the association shall pay the commissioner the sum of \$10.00. A duly certified copy of the license shall be prima facie evidence in any court or proceeding in this state that the licensee is a fraternal beneficiary association within the meaning of section 64.01.

[1907 c. 345 s. 14; 1909 c. 329 s. 1] (3467)

**64.21 MERGERS AND REINSURANCE.** No fraternal benefit society organized under the laws of this state to do the business of life, accident, or health insurance shall consolidate or merge with any other benefit society, or reinsure its insurance risks, or any part thereof, with any other fraternal benefit society, or assume or reinsure the whole, or any portion, of the risks of any other fraternal benefit society, except as herein provided. No fraternal benefit society, or subordinate body thereof, shall merge, consolidate with, or be reinsured by, any company or association not licensed to transact business as a fraternal benefit society. Any fraternal benefit society organized under the laws of this state having an insurance membership in good standing at the time of reinsurance, merger, or consolidation of not more than 5,000 members, and which has been engaged in business for more than 15 years prior to such time, may be reinsured by or consolidate or merge with any life insurance company organized under the laws of this state.

[1919 c. 42 s. 1; 1929 c. 63 s. 1] (3468)

**64.22 MERGER TO BE APPROVED BY COMMISSIONER.** When any fraternal benefit society shall propose to consolidate or merge its business, or to enter into any contract of reinsurance, or to assume or reinsure the whole or any portion of the risks of any other fraternal benefit society, the proposed contract, in writing, setting forth the terms and conditions of the proposed consolidation, merger, or reinsurance shall be submitted to the legislative or governing bodies of each of the parties to the contract after 30 days' written notice, by mail, is given to all policyholders, stating the object of the meeting; and, if approved by the legislative or governing bodies by a two-thirds vote, the contract, as so approved, shall be submitted to the commissioner for his approval, and the parties to the contract shall, at the same time, submit a sworn statement showing the financial condition of each of the fraternal benefit societies as of the thirty-first day of December preceding the date of the contract. The commissioner may, in his discretion, require such financial statement to be submitted as of the last day of the month preceding the date of the contract. The commissioner shall thereupon consider the contract of consolidation, merger, or reinsurance and, if satisfied that the interests of the certificate holders of the fraternal benefit societies are properly protected, that the contract is just and equitable to the members of each of the societies, and that no reasonable objection exists thereto, shall approve the contract as submitted. In case the parties corporate to the contract shall have been incorporated in separate states or territories, the contract shall be submitted, as herein provided, to the commissioner of



insurance of each of the incorporating states or territories, to be considered and approved separately by each of the commissioners. When the contract of consolidation, merger, or reinsurance shall have been approved, as hereinabove provided, such commissioner or commissioners of insurance shall issue a certificate to that effect, and thereupon the contract of consolidation, merger, or reinsurance shall be in full force and effect. In case the contract is not approved, the fact of its submission and its contents shall not be disclosed by the commissioner.

[1919 c. 42 s. 2; 1937 c. 309 s. 1] (3469)

**64.23 PAYMENT OF EXPENSES.** All necessary and actual expenses and compensation incident to the proceedings provided hereby shall be paid as provided by the contract of consolidation, merger, or reinsurance. No brokerage or commission shall be included in such expenses and compensation or shall be paid to any person by either of the parties to any such contract in connection with the negotiation therefor or execution thereof, nor shall any compensation be paid to any officer or employee of either of the parties to the contract for, directly or indirectly, aiding in effecting such contract of consolidation, merger, or reinsurance. An itemized statement of all these expenses shall be filed with the commissioner or commissioners, as the case may be, subject to approval, and when approved the same shall be binding on the parties thereto. Except as fully expressed in the contract of consolidation, merger, or reinsurance, or itemized statement of expenses, as approved by the commissioner or commissioners, as the case may be, no compensation shall be paid to any person and no officer or employee of the state shall receive any compensation, directly or indirectly, for in any manner aiding, promoting, or assisting any such consolidation, merger, or reinsurance.

[1919 c. 42 s. 3] (3470)

**64.24 FOREIGN ASSOCIATIONS; LICENSES.** Foreign associations which are now authorized to transact business in this state may continue such business until the first day of March next succeeding the passage of Laws 1907, Chapter 345, and the authority of these associations may thereafter be renewed annually, but in all cases to terminate on the first day of the succeeding March. For each license or renewal the association shall pay the commissioner \$10.00. A duly certified copy of the license shall be prima facie evidence that the licensee is a fraternal beneficiary association within the meaning of section 64.01.

[1907 c. 345 s. 16] (3472)

**64.25 FOREIGN ASSOCIATION; ADMISSION TO DO BUSINESS.** No foreign association which is not now authorized to transact business in this state shall transact any business therein without a license from the commissioner. Before receiving such license, it shall file with the commissioner a duly certified copy of its charter or articles of association; a copy of its constitution and laws, certified by its secretary or corresponding officer; a power of attorney to the commissioner, as hereinafter provided; a statement, under oath, of its president and secretary or corresponding officers, in the form required by the commissioner, duly verified by an examination made by the supervising insurance official of its home state of the business of the preceding year; a copy of its contract, which must show that benefits are provided for by assessments upon, or other payments by persons holding similar contracts, and shall furnish the commissioner with such other information as he may deem necessary to a proper exhibit of its business and plan of working; and, if he finds that it is transacting business in accordance with the provisions of Laws 1907, Chapter 345, that its assets are invested in accordance with the laws of the state where it is organized; and unless it has under its jurisdiction a grand lodge having a beneficiary department, which grand lodge is now authorized by the commissioner to transact business in this state, that it has the membership and qualifications required of domestic associations organized under Laws 1907, Chapter 345, he may license the association to do business in this state until the first day of the succeeding March, and the license may be renewed annually, but in all cases to terminate on the first day of the succeeding March; provided, that any beneficiary society or association, having a branch system and representative form of government, whose membership is confined to the members of any one religious denomination, and which, prior to the passage of Laws 1907, Chapter 345, was, and has been ever since continuously licensed to do business in this state, may, upon being authorized to transact the business provided for in the laws governing fraternal beneficiary associations in the state of its organization and making such changes, if any, in its charter and plan of business as may be

necessary to meet the requirements of Laws 1907, Chapter 345, be licensed to do business in this state thereunder without being required to adopt the rates required by the national fraternal congress table of mortality.

[1907 c. 345 s. 17; 1911 c. 226 s. 1; 1915 c. 96 s. 3] (3473)

**64.26 LICENSES, REFUSAL OR REVOCATION; EXISTING CONTRACTS.**

When the commissioner refuses to license any association, or revokes its authority to do business in this state, he shall reduce his ruling, order, or decision to writing and file the same in his office, and furnish a copy thereof, together with a statement of his reasons, to the officers of the association, upon request. Any society affected by any such ruling, order, or decision shall have the right to appeal to the district court of Ramsey county, by filing with the commissioner its notice of appeal, in writing, and in such case the commissioner shall forthwith, and within ten days thereafter, deliver to the association a full and certified transcript of all proceedings had before him in the matter, including all applications, together with all orders, rulings, and decisions had thereon, and on the transcript being filed in the court, the court shall be fully possessed of the action, and a full trial on the merits de novo shall be had thereon and upon the hearing the findings of fact on which the order is based shall be prima facie evidence of the matters therein stated. The appeal shall be filed in such court within 40 days after the rendition of the ruling, order, or decision appealed from. Nothing contained in sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37 shall be taken or construed as preventing any such association from continuing in good faith all contracts made in this state during the time the association was legally authorized to transact business in this state.

[1907 c. 345 s. 18] (3474)

**64.27 COMMISSIONER TO ACCEPT SERVICE.** Each foreign association now transacting business in this state and each such association applying for admission shall, before being licensed, appoint, in writing, the commissioner and his successors in office to be its true and lawful attorney, upon whom all legal process in any action or proceeding against it shall be served and, in such writing, shall agree that any lawful process against it, which is served upon such attorney, shall be of the same legal force and validity as if served upon the association, and that the authority shall continue in force so long as any liability remains outstanding in this state.

Copies of the appointment, certified by the commissioner, shall be deemed sufficient evidence thereof and shall be admitted in evidence with the same force and effect as the original thereof might be admitted. Service may only be made upon such attorney, must be made in duplicate, and shall be deemed sufficient service upon the association; provided, that no such service shall be valid or binding against any such association when it is required thereunder to file its answer, pleading, or defense in less than 30 days after the date of such service. When legal process against any such association is served upon the commissioner, he shall forthwith forward, by registered mail, one of the duplicate copies, prepaid and directed to its secretary or corresponding officer. The plaintiff in the process so served shall pay to the commissioner, for the use of the state, at the time of service, a fee of \$2.00, which shall be recovered by him as part of the taxable costs, if he prevails in the suit.

[1907 c. 345 s. 19] (3475)

**64.28 MEETINGS, WHERE HELD; PRINCIPAL OFFICE.** Any domestic association may provide that the meetings of its legislative or governing body may be held in any state, district, province, or territory wherein the association has subordinate branches, and all business transacted at these meetings shall be as valid in all respects as if the meetings were held in this state. Its principal office shall be located in this state.

[1907 c. 345 s. 20] (3477)

**64.29 CONSTITUTION AND LAWS.** The constitution and laws of the association may provide that no subordinate body, nor any of the officers or members of the subordinate body, shall have the power or authority to waive any of the provisions of the laws and constitution of the association, and the same shall be binding on the association and each and every member thereof.

[1907 c. 345 s. 21] (3478)

**64.30 AMENDMENTS TO CONSTITUTION.** Every association transacting business under sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37 shall file with the commissioner a duly certified copy of all amendments of, or additions to, its constitution and laws within 90 days after the enactment of the same. Printed

copies of the constitution and laws and of additions or amendments thereto, certified by the secretary or corresponding officer of the association, shall be prima facie evidence of the legal adoption thereof.

[1907 c. 345 s. 22] (3479)

**64.31 ANNUAL STATEMENT.** Every association transacting business in this state shall, annually, on or before the fifteenth day of February, file with the commissioner, in such form as he may require, a statement, under oath of its president and secretary, or corresponding officers, of its condition and standing on the thirty-first day of December, next preceding, and of its transactions for the year ending on that date, and shall also furnish such other information as the commissioner may deem necessary to a proper exhibit of its business and plan of working. The commissioner may at other times require any further statement he may deem necessary to be made relating to these associations.

[1907 c. 345 s. 23] (3480)

**64.32 DOMESTIC ASSOCIATIONS; DISSOLUTION.** The commissioner, or any person he may appoint, shall have the power of visitation and examination into the affairs of any domestic association. He may employ assistants for the purposes of examination, and he, or any person he may appoint, shall have free access to any books, papers, and documents that relate to the business of the association, and may summon and qualify as witnesses, under oath, and examine its officers, agents, and employees, or other persons, in relation to the affairs, transactions, and condition of the association.

Wherever, after examination, the commissioner is satisfied that any domestic association has failed to comply with any provisions of sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37, or is exceeding its powers, or is not carrying out its contracts in good faith, or is transacting business fraudulently, or is in such condition as to render further proceedings hazardous to the public or its certificate holders, or when any domestic association, after being in existence one year or more, shall have a membership of less than 300, or votes to discontinue business, the commissioner may present the facts relating thereto to the attorney general, who shall, if he deem the circumstances warrant, commence an action quo warranto in a court of competent jurisdiction and the court shall thereupon notify the officers of the association of a hearing, and, unless it shall then appear that some special and good reason exists why the association should not be closed, the association shall be enjoined from carrying on any further business, and some person shall be appointed receiver of the association and proceed at once to take possession of the books, papers, moneys, and other assets of the association; and forthwith, under the direction of the court, proceed to close the affairs of the association and to distribute its funds to those entitled thereto. No proceedings shall be commenced by the attorney general against any such association until after notice has been duly served on the chief executive officers of the association and a reasonable opportunity given to it, on a date to be named in the notice, to show cause why the proceedings should not be commenced.

[1907 c. 345 s. 24] (3481)

**64.33 PROCEEDINGS BY ATTORNEY GENERAL ONLY.** No action or proceedings to discontinue or enjoin, in whole or in part, the business or methods of any such domestic association, or to appoint a receiver therefor, or to dissolve the same, or in any manner affecting its corporate rights, except for failure to pay final judgment, or to oust any foreign association or enjoin it from transacting business in this state, shall be entertained by any court, except on the suit of the attorney general.

[1907 c. 345 s. 25] (3482)

**64.34 FOREIGN ASSOCIATIONS; EXAMINATIONS; REVOCATION OF LICENSE.** The commissioner, or any person whom he may appoint, may examine any foreign association transacting, or applying for admission to transact, business in this state. The commissioner may employ assistants for the purpose of examination and he, or any person he may appoint, shall have free access to all the books, papers, and documents that relate to the business of the association and may summon and qualify as witnesses, under oath, and examine its officers, agents, employees, and other persons in relation to the affairs, transactions, and condition of the association. He may, in his discretion, accept in lieu of this examination the examination of the insurance department of the state, territory, district, province, or country where the association is organized.

If any such association, or its officers, refuse to submit to examination or to comply with the provisions of this section relating thereto, or if upon an examination the commissioner, on investigation, is satisfied that any foreign association transacting business under sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37 has exceeded its powers, or has failed to comply with the provisions of the law, or is conducting business fraudulently, or is not carrying out its contracts in good faith, or is in such condition as to render further proceedings hazardous to the public or its certificate holders, he may, by a written order or decision filed in his office, revoke the license of the association to do business in this state, subject to an appeal by the association, as provided by and in accordance with the provisions of section 64.26, and upon any such appeal all the provisions of section 64.26 shall apply thereto. No license shall be revoked by the commissioner until after notice has been duly served on the chief executive officers of the association and a reasonable opportunity given to it on a date to be named in the notice to show cause why the license should not be revoked.

[1907 c. 345 s. 26] (3483)

**64.35 EXPENSES OF EXAMINATIONS.** The necessary expenses of any examination made by the commissioner, pursuant to the provisions of sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37, of any association therein authorized shall be paid by the association; but no per diem shall be paid to or on account of any regular salaried member of the insurance department, nor a per diem of more than \$10.00 to any other person.

[1907 c. 345 s. 27] (3484)

**64.36 CERTAIN ORGANIZATIONS EXEMPTED.** Nothing contained in sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37 shall be construed to affect or apply to grand or subordinate lodges of Masons, Odd Fellows, Elks, or Knights of Pythias, exclusive of the insurance branch of the supreme lodge Knights of Pythias, or to similar orders which do not issue insurance certificates, or to societies which admit to membership only persons engaged in one or more hazardous occupations, in the same or similar lines of business, or to local lodges of an association which was doing business in this state at the time of the enactment of Laws 1907, Chapter 345, that provide death benefits not exceeding \$300 to any one person, or disability benefits not exceeding \$300 in any one year to any one person, or both, except that all foreign associations transacting business in this state shall comply with the provisions of section 64.27, or to any contracts of reinsurance of or between such local lodges of such association now doing business on such a plan in this state, or to domestic associations which limit their membership to the employees of a particular city or town, designated firm, business house, or corporation; or to domestic lodges, orders, or associations of a purely religious, charitable, and benevolent description, which do not operate with a view to profit, and which do not provide for a death benefit of more than \$100, or for disability benefits of more than \$150 to any one person in any one year, or to any domestic lodge, order, or association which was incorporated under the laws of this state prior to the year 1917 and has been doing business in this state since incorporation and which now has not less than \$4,000 in cash or in securities acceptable to the commissioner and which has heretofore agreed, in its constitution or by-laws, to pay \$300 as death benefits and \$200 as funeral expenses, and which does not operate with a view to profit and which shall hereafter pay no funeral expenses and pay not more than \$300 as death benefits, and shall hereafter collect from its members, at their then attained ages, regular payments or assessments not lower than those required by the national fraternal congress table of mortality, with interest at four per cent per annum, and save and except as in this section otherwise specifically modified, limited or qualified, that any such domestic order or association which has more than 500 members; and provides for death or disability benefits, and any such domestic lodge, order, or association which issues to any person a certificate providing for the payment of benefits shall not be exempt by the provisions of this section, but shall comply with the requirements of sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37. The commissioner may require from any association such information as will enable him to determine whether the association is exempt from the provisions of sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37. No association which is exempt by the provisions of this section from the requirements of sections 64.03 to 64.07, 64.14 to

64.20, and 64.24 to 64.37 shall give or allow, or promise to give or allow, to any person any compensation for procuring new members.

[1907 c. 345 s. 28; 1921 c. 339 s. 1; 1925 c. 393; 1931 c. 55] (3485)

**64.37 VALUATIONS OF BENEFIT CERTIFICATES.** Nothing contained in sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37 shall be construed to require any society to make or cause to be made any valuation of its benefit certificates for any purpose, nor shall the insurance department have the right to require or demand that this valuation be made or embraced in the report of any fraternal beneficiary society to the insurance department; nor shall any valuation of the certificates of any association, if made by the insurance department, be published unless upon request of the association.

[1907 c. 345 s. 31] (3488)

**64.38 READJUSTMENT OF ASSESSMENT RATES.** If the now existing laws of the state in which any foreign fraternal beneficiary society, licensed to do business in this state is incorporated, contain provisions under which the officers of the society may submit to the members, for their approval or repeal, by-laws providing for the readjustment of assessment rates or rates of periodical contribution to the benefit fund, these officers shall submit to a referendum of the membership the question of new rates within the time within which the same may be done under the laws of the foreign state, and pending and during the time when this question is before the members of the order for their approval or repeal, and columns of the official organ shall be open to the membership of this state for expression of views for and against the new rates.

[1912 c. 6 s. 1] (3489)

**64.39 SOCIETY TO FILE ROSTER OF OFFICERS.** Any such fraternal beneficiary society doing business in this state shall file in the office of the commissioner for use of parties interested, a roster giving the names and addresses of the officers corresponding to presiding officer and secretary of all subordinate lodges in the entire jurisdiction of the society within 30 days after demand made on the chief executive officers corresponding to secretary, by a subordinate lodge in this state.

[1912 c. 6 s. 2] (3490)

**64.40 CANCELANON OF LICENSE; PENALTY FOR FAILURE OF COMPLIANCE.** If the officers of any such fraternal beneficiary society shall fail or neglect to comply with the provisions of sections 64.38 to 64.40, the license of the society to do new business in this state shall be canceled by the commissioner on proof of such failure or neglect.

[1912 c. 6 s. 3] (3491)

**64.41 FRATERNAL BENEFICIARY ASSOCIATIONS MAY BECOME MUTUAL LIFE INSURANCE COMPANIES.** Any domestic fraternal beneficiary association organized and operating under the laws of this state, and with a membership of less than 5,000 and not less than 1,000, composed of both male and female, and on a solvent basis according to a recognized table of mortality acceptable to the commissioner, may, upon a two-thirds vote of its supreme legislative and governing body, amend its articles of incorporation and laws in such manner as to transform itself into a mutual life insurance company with the name by which it is already known, or another name, as its supreme legislative and governing body shall determine; provided, that a 30-day written notice be given, by mail, to all policyholders stating the object of the meeting. The proposed plan for reorganization or reincorporation shall be submitted to, and be subject to the approval of the commissioner; and, upon so doing and procuring from the commissioner his approval and a certificate of authority, as prescribed by law, to transact business in this state as a mutual life insurance company, it shall incur the obligations and enjoy the benefits thereof the same as though originally thus incorporated; and the corporation, under its articles and by-laws as so framed or amended shall be a continuation of the original organization, and the officers thereof shall serve until their successors shall be elected as provided by the amended articles or by-laws of the company as thus reorganized; but this incorporation, amendment, or reincorporation shall not affect existing suits.

[1929 c. 239 s. 1] (3491-1)

**64.42 POWERS AND DUTIES.** The company so reorganized, and its officials, shall exercise all the rights and powers and perform all the duties conferred or imposed by law upon organizations writing the kinds of insurance written by the company so reorganized, and all outstanding policy contracts shall be recalled and new contracts issued based upon the same table of rates and reserves, but in form

required by law for the company as reorganized. The minimum reserve requirements shall be based on the tables upon which the policy contracts are based, if acceptable to the commissioner. Such organization and its officials shall exercise all the rights and powers and have full authority to perform all the duties necessary to protect rights and contracts existing prior to reorganization. The commissioner shall exercise the powers and discharge the duties concerning any such company so reorganized that are applicable to companies writing insurance or issuing policies of the same class, organized or operating in this state. The commissioner shall issue a certificate of authority to any such company so reorganized which is in a solvent condition and has fully complied with the laws of this state, to transact such insurance business in this state.

[1929 c. 239 s. 2] (3491-2)

**64.43 FRATERNAL BENEFICIARY ASSOCIATION NOT AFFECTED.** The provisions of sections 61.47 to 61.50 and 61.52 to 61.58 shall not apply to fraternal beneficiary associations nor shall anything therein be construed as governing or in anywise regulating such associations.

[1907 c. 318 s. 12] (3440)

**64.44 INCORPORATION OF STATE ASSOCIATIONS.** When a subordinate lodge or camp of any foreign fraternal beneficiary association, now licensed to do business in this state, shall become suspended under the terms and provisions of the by-laws of the association for failure to make, within the time provided by its by-laws, remittance to the proper officer of the foreign fraternal beneficiary association of benefit assessments, per capita or other dues, the subordinate lodge or camp may retain its organization and, in conjunction with other subordinate lodges or camps or members of the association in this state, continue as a fraternal beneficiary association, and may join with each other and become a part of the fraternal beneficiary association incorporated under sections 64.44 to 64.62.

[1913 c. 450 s. 2] (3493)

**64.45 TO HAVE 15,000 MEMBERS.** When 15,000, or more, members in this state in good standing in any foreign fraternal beneficiary association shall file with the commissioner applications, in writing, signifying their intentions to sever their connection with the foreign fraternal beneficiary association and to transfer their insurance and become members of an association to be incorporated under sections 64.44 to 64.62, these members may form an association and become incorporated under sections 64.44 to 64.62, and this association and the members thereof so incorporated shall have all the rights and the same privileges under sections 64.44 to 64.62 and be subject to the same conditions and requirements as associations incorporated pursuant thereto.

[1913 c. 450 s. 3] (3494)

**64.46 INDIVIDUAL MEMBERS MAY JOIN.** When subordinate lodges or camps take advantage of the provisions of sections 64.44 to 64.62 any individual members of any other subordinate lodge or camp of the same association may become associated with such subordinate lodges or camps under sections 64.44 to 64.62.

[1913 c. 450 s. 4] (3495)

**64.47 INDIVIDUAL MEMBER MAY RETAIN MEMBERSHIP, OR JOIN NEW ASSOCIATION.** Nothing contained in sections 64.44 to 64.62 shall be construed to prevent an individual member of any such foreign fraternal beneficiary association from retaining his membership therein where the subordinate lodge or camp of which he is a member shall have severed his connection with that association, and all assessments or per capita tax which shall have been paid by this member shall be remitted to the proper chief executive officer of the association unless the member shall designate, in writing, that he does not want a remittance made to the foreign fraternal beneficiary association.

[1913 c. 450 s. 5] (3496)

**64.48 PROVISIONS AS TO PROPERTY.** When 50 per cent of the entire membership of any subordinate lodge or camp shall vote to sever its connection from the foreign fraternal beneficiary association and affiliate with the association incorporated under sections 64.44 to 64.62, these subordinate lodges or camps shall retain their local identity as such, and shall retain the title to all property, real and personal, of the subordinate lodge or camp, but shall be accountable to individual members who preserve their membership in the foreign fraternal beneficiary asso-

ciation for their share in the property of the subordinate lodge or camp ascertained on a per capita basis.

[1913 c. 450 s. 6] (3497)

**64.49 NOT TO AFFECT LIABILITY.** Nothing in sections 64.44 to 64.62 shall be construed to affect or limit the liability of any such foreign fraternal beneficiary association under any certificate issued by the association to any member during the time for which it shall have received his assessments in accordance with the constitution and by-laws of the foreign fraternal beneficiary association.

[1913 c. 450 s. 7] (3498)

**64.50 FOREIGN ASSOCIATION TO RETURN EXCESS ASSESSMENTS.** If such foreign beneficiary association shall have collected from the members of the association who sever their connection therefrom any funds in excess of such as shall have been properly collected under its articles of incorporation and laws, then the association organized under the provisions of sections 64.44 to 64.62 shall have the right, as such an association, to recover this amount from the foreign beneficiary association for the benefit of the members of the association formed thereunder.

[1913 c. 450 s. 8] (3499)

**64.51 CLERK TO GIVE WRITTEN NOTICE OF WITHDRAWAL.** When any subordinate lodge or camp shall, under sections 64.44 to 64.62, decide to sever its connections with the foreign fraternal beneficiary association, the clerk of the lodge or camp shall give written notice of the action taken to every member of the lodge or camp at his last known post-office address and request that each member file his written preference as to whether or not he desires his assessments or per capita tax to be paid to the foreign fraternal beneficiary association or transmitted to the new organization. All members failing, within 30 days, to respond to the request of the clerk in the matter of filing preference shall be considered as desiring to remain with the foreign fraternal beneficiary association and shall be considered members of that organization.

[1913 c. 450 s. 9] (3500)

**64.52 MEDICAL EXAMINATION NOT REQUIRED.** Members of subordinate shall not be required to pass a medical examination, but new certificates shall be lodges or camps and individual members taking advantage of sections 64.44 to 64.62 by the member at the time of the change, or for a less amount of insurance at the option of the insured, or the benefit certificate issued to the member by the foreign fraternal beneficiary association may be assumed by the corporation organized under sections 64.44 to 64.62.

[1913 c. 450 s. 10] (3501)

**64.53 CONTRIBUTIONS MAY BE REMITTED TO TEMPORARY ORGANIZATIONS.** When subordinate lodges or camps take advantage of sections 64.44 to 64.62, contributions to the benefit fund in the hands of the officers of the subordinate lodges or camps may be remitted to such temporary organizations or lodges or camps as may be created, or when an association of such subordinate lodges or camps or members is duly incorporated under sections 64.44 to 64.62, such funds may be paid into the treasury of the association so incorporated, and all such remittances and payments shall be subject to the payment of death claims that occur after the liability of the foreign fraternal beneficiary association upon certificates issued to these members has ceased.

[1913 c. 450 s. 11] (3502)

**64.54 COMMISSIONER NOTIFIED.** When one or more of the subordinate lodges or camps desiring to sever its or their connections with such foreign fraternal beneficiary associations and become members of the associations organized or to be organized under sections 64.44 to 64.62 shall notify the commissioner of its or their purpose to do so, it shall be the duty of the commissioner at once to demand of the chief executive officer in charge of the records of the foreign fraternal beneficiary association to immediately file in the office of the commissioner a mailing list of all the members of subordinate lodges or camps of the foreign fraternal beneficiary association within this state, and when the foreign fraternal beneficiary association shall have filed these mailing lists, arranged by lodges or camps, it shall be the duty of the subordinate lodges or camps desiring to take advantage of sections 64.44 to 64.62 to mail written notices to all members of any subordinate lodge or camp so desiring to sever its connection from the foreign fraternal beneficiary association at least ten days prior to the submission of the question in the local

subordinate lodge or camp, and the notice shall specifically state that the question of surrendering the charter and joining with the state organization is to be taken up, and the date of meeting, and may contain such other information as is deemed relevant; provided, that where all the members of a subordinate lodge or camp signify, in writing, their desire and intention to surrender the charter of the camp and join the new organization, then, and in such case, the notice herein provided for shall not be required.

[1913 c. 450 s. 12] (3503)

**64.55 ARTICLES FILED WITH SECRETARY OF STATE.** When one-third of the subordinate lodges or camps organized at the time of the passage of Laws 1913, Chapter 450, signify their intention to withdraw, adopt resolutions by a majority vote of each lodge or camp, provided at least 35 per cent of all the members of such lodge or camp voted for such resolution, and signify their intention of transferring their insurance, or when 15,000 members, without reference to the number of lodges or camps of which they shall be members, in any fraternal beneficiary association now licensed to do business in the state, have severed their connections with such foreign fraternal beneficiary association, in the manner therein provided for, they may become incorporated as a fraternal beneficiary association by causing not less than 15,000 members, to be designated by such camps or lodges, or 15,000 members, so severing their connections with such foreign fraternal beneficiary association, to execute and file articles of association with the secretary of state, and a copy thereof with the commissioner, which articles shall contain the following:

- (1) The name of the association;
- (2) The location of the head office or place of business of the association;
- (3) The purpose for which it is formed, the official titles of all the officers, trustees, directors, or other persons who are to have and exercise the general control and management of the affairs and funds of the association;
- (4) The length of time the corporation shall continue; and
- (5) The names and places of residence of the officers of the association who hold office at the time the certificate is filed, and until such time as their successors are elected and qualify under sections 64.44 to 64.62.

Upon the filing of the articles, the commissioner shall issue to the association a license authorizing it to transact business in this state.

[1913 c. 450 s. 13] (3504)

**64.56 DELEGATES TO STATE CONVENTION.** Within 90 days after the incorporation of the association, the lodges or camps or 15,000 members of the foreign fraternal beneficiary association so severing their connections shall call a special election and elect delegates to a state convention for the purpose of adopting by-laws, rules, and regulations for the proper organization of the association, and to adopt a ritual and form a grand lodge of the state of Minnesota, and for the purpose of electing officers to fill the positions of this new association, which officers so elected shall act until their successors are duly elected and have qualified. The convention so called shall consist of one delegate at large from each subordinate lodge or camp, and one delegate for each 300 members, or major fraction thereof; provided, that no camp or lodge shall have more than five delegates. The rules and regulations, by-laws, and ritual of the association shall comply with the laws of this state in all respects except as herein otherwise provided.

[1913 c. 450 s. 14] (3505)

**64.57 RATES OF ASSESSMENTS.** Any such association so formed under sections 64.44 to 64.62 shall during no year levy a less number of assessments than was levied in 1912 by the society or association from which the new association has seceded or from which it has severed its connection, and shall adopt a rate of assessment by increasing its rates of mortuary assessments by 50 per cent in addition to rates actually paid by the members at the time they sever their connection with the foreign fraternal organization, the rate to be so fixed within 90 days after the association has secured its license from the commissioner; provided, that if the fraternal beneficiary association fails to carry out the provisions of this section, then, and in that event, the commissioner shall have the right to cancel its license to do business in this state.

[1913 c. 450 s. 15] (3506)

**64.58 NAMES MAY BE RETAINED.** Subordinate lodges or camps of such foreign fraternal beneficiary association incorporated under the laws of this state



by virtue of sections 64.44 to 64.62 may retain the name of the foreign fraternal beneficiary association; provided it be modified by some territorial or other designation to clearly distinguish it from the foreign fraternal beneficiary association.

[1913 c. 450 s. 16] (3507)

**64.59 COPY OF MAILING LIST FURNISHED.** When any member of a subordinate lodge or camp of such foreign fraternal beneficiary association demands of the officers in charge of the mailing list and membership roll the privilege to take a copy thereof, the member shall be promptly given the privilege of copying the membership list and roll from the records of the subordinate lodge, and any officer refusing to permit a member in good standing of the subordinate lodge or camp to take a list of the members from such records shall be guilty of a misdemeanor.

[1913 c. 450 s. 17] (3508)

**64.60 MANDAMUS PROCEEDINGS.** Mandamus proceedings shall lie in the courts of this state against any officer or member of any subordinate lodge or camp to require compliance with the provisions of sections 64.44 to 64.62, and necessary proceedings incident to the incorporation of subordinate lodges or camps under sections 64.44 to 64.62 and no action or proceeding to restrain subordinate lodges or camps or members from proceeding under sections 64.44 to 64.62, or to discontinue or enjoin any association organized under sections 64.44 to 64.62 shall be commenced except on the suit of the attorney general.

[1913 c. 450 s. 18] (3509)

**64.61 AUXILIARY LODGES.** Sections 64.44 to 64.62 shall apply to auxiliary lodges, and when the subordinate lodges or camps or members of a foreign fraternal beneficiary association shall incorporate under sections 64.44 to 64.62, auxiliary subordinate lodges or camps or members may join with the organization so incorporated under sections 64.44 to 64.62.

[1913 c. 450 s. 19] (3510)

**64.62 SUBJECT TO LAWS RELATING TO FRATERNAL ASSOCIATIONS.** Except as therein otherwise provided, every fraternal beneficiary association organized under the provisions of sections 64.44 to 64.62 shall be subject to all of the laws of this state relating to fraternal beneficiary associations.

[1913 c. 450 s. 20] (3511)

**64.63 VIOLATIONS; PENALTIES.** Subdivision 1. Any person violating the provisions of sections 64.21 to 64.23 shall be guilty of a felony; and, upon conviction, liable to a fine of not more than \$5,000, or to imprisonment for not more than five years, or to both fine and imprisonment.

Subdivision 2. Any person, officer, member, or examining physician, who shall knowingly or wilfully make any false or fraudulent statement or representation in, or with reference to, any application for membership or for the purpose of obtaining money from or benefit in any association transacting business under sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37 shall be guilty of a misdemeanor; and, upon conviction thereof, punished by a fine of not more than \$100.00, or imprisonment in the county jail for not more than 90 days, in the discretion of the court; and any person who shall wilfully make a false statement of any material fact or thing in a sworn statement as to the death or disability of a certificate holder in any such association, for the purpose of procuring payment of a benefit named in the certificate of such holder, and any person who shall wilfully make any false statement in any verified report or declaration under oath required or authorized by sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37, shall be guilty of perjury and shall be proceeded against and punished as provided by the statutes of this state in relation to the crime of perjury.

Any person who shall solicit membership for, or in any manner assist in procuring membership in, any association not licensed to do business in this state, or who shall solicit membership for, or in any manner assist in procuring membership in, any such association not authorized to do business in this state, shall be guilty of a misdemeanor; and, upon conviction thereof, punished by a fine of not more than \$100.

Any association, or any officer, agent, or employee thereof, neglecting, refusing to comply with, or violating, any of the provisions of sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37, the penalty for which neglect, refusal, or violation is not specified in this section, shall be fined not exceeding \$100 upon conviction thereof.

[1907 c. 345 s. 29; 1919 c. 42 s. 4] (3471, 3486)