

# MAINE STATE LEGISLATURE

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NEW DRAFT.

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Sixty-Fourth Legislature.

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HOUSE.

No. 179.

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STATE OF MAINE.

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IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED AND  
EIGHTY-NINE.

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AN ACT relating to Fraternal Beneficiary  
Organizations.

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*Be it enacted by the Senate and House of Representatives  
in Legislature assembled, as follows :*

SECTION 1. Seven or more persons, residents of  
2 the State, desiring to form a fraternal beneficiary  
3 corporation for the purposes hereinafter provided,  
4 and having signed an agreement therefor, declaring  
5 therein the purposes of such corporation, may  
6 organize as such in the manner provided in sections  
7 1, 2 and 3 of chapter 55 of the Revised Statutes,  
8 and such corporation shall have all the powers, priv-  
9 ileges and immunities, and be subject to all the lia-  
10 bilities named in said section 3.

SECT. 2. The presiding officer, treasurer, and a majority of the directors or other officers, shall forthwith make, sign and swear to a certificate setting forth a true copy of the agreement and declaration of purpose of the association, with the names of the subscribers thereto, the date of the first meeting, and the successive adjournments, if any, and shall submit such certificate and the records of the corporation to the insurance commissioner, who shall make such examination and require such evidence as he deems necessary; and if it appears that the purposes of the corporation conform to law, he shall certify his approval thereof, and the certificate shall then be filed by said officers in the office of the Secretary of State, who, upon payment of a fee of five dollars, shall cause the same with the endorsements, to be recorded, and shall thereupon issue a certificate in the following form:

#### STATE OF MAINE.

Be it known that whereas (here the names of the subscribers to the agreement of association shall be inserted) have associated themselves with the intention of forming a corporation under the name of (here the name of the corporation shall be inserted) for the purpose (here the purpose declared in the agreement of association shall be inserted) and have complied with the provisions of the statutes of this State in such case made and provided, as appears from the certificate of the officers of the corporation, duly approved by the insurance

commissioner and recorded in this office: now therefore, I (here the name of the secretary shall be inserted, Secretary of State of Maine, do hereby certify that said (here the names of the subscribers to the agreement of association shall be inserted), their associates and successors, are legally organized and established as and are hereby made an existing corporation under the the name of (here the name of the corporation shall be inserted), with the powers, rights and privileges, and subject to the limitations, duties and restrictions which by law appertain thereto.

Witness my official signature hereunto subscribed, and the seal of the State of Maine hereunto affixed, this            day of            in the year            (In these blanks the day, month and year of execution of the certificate shall be inserted.)

The secretary shall sign the same and cause the seal of the State to be thereto affixed, and such certificate shall be conclusive evidence of the existence of such corporation at the date of such certificate. He shall cause a record of such certificate to be made.

SECT. 3. Any corporation duly organized as  
2 aforesaid, and which does not employ paid agents  
3 in soliciting or procuring business, other than in  
4 the preliminary organization of local branches, and  
5 which conducts its business as a fraternal society  
6 on the lodge system, or limits its certificate holders  
7 to a particular order, class or fraternity, or to the  
8 employes of a particular town or city, designated  
9 firm, business house or corporation, may provide  
10 in its by-laws for the payment, from time to time,  
11 of a fixed sum by each member, and from this  
12 income may make weekly or other payments to any

13 member during a period of disability of such  
14 member. Such corporation may also provide in  
15 its by-laws for the payment, from time to time, of  
16 a fixed sum by each member to be paid to the  
17 beneficiaries of deceased members, in such amount  
18 and manner as shall be fixed by said by-laws and  
19 written in the benefit certificate issued to such  
20 member, and payable to the husband, wife, children,  
21 relatives of, or persons dependent upon such mem-  
22 ber; but no contract under this act shall be valid  
23 or legal which shall be conditional upon an agree-  
24 ment or understanding that the beneficiary shall  
25 pay the dues and assessments, or either of them,  
26 for said member. Any such corporation now  
27 organized under the laws of this State, which limits  
28 its certificate holders to a particular order, class or  
29 fraternity, may employ paid agents in soliciting  
30 business. But no person shall act as such an agent  
31 until he has first been licensed therefor by the  
32 insurance commissioner in accordance with the  
33 provisions of section 73, chapter 49 of the Revised  
34 Statutes, and any persons violating this provision  
35 shall, upon conviction, be punished as provided in  
36 said section 73. For such license the commis-  
37 sioner shall receive one dollar.

SECT. 4. Any such corporation may hold at any  
2 one time, as a death fund belonging to the benefi-  
3 ciaries of anticipated deceased members an amount  
4 not exceeding one assessment from a general or  
5 unlimited membership, or an amount not exceeding  
6 in the aggregate, one assessment from each limited  
7 class or division of its members; provided that  
8 nothing in this section shall be held to restrict such  
9 fund to less than twenty-five thousand dollars.

SECT. 5. No such corporation shall re-insure with  
2 or transfer its membership certificates or funds to  
3 any organization not authorized to do business in  
4 this State.

SECT. 6. Fraternal beneficiary corporations,  
2 associations or societies organized under the laws  
3 of another State, now transacting business in this  
4 State as herein defined, and which now report or  
5 which shall report when requested to the insurance  
6 department, may continue such business without  
7 incorporating under this act. Fraternal beneficiary  
8 corporations, associations or societies, not now  
9 transacting business in this State, which may here-  
10 after desire to do so, shall first obtain license  
11 therefor from the insurance commissioner. Such a  
12 corporation, association or society shall furnish the  
13 commissioner with a certified copy of its charter

14 and by-laws, with a statement under oath, showing  
15 its membership and financial condition, and shall  
16 also furnish the commissioner with such other  
17 information as he shall deem necessary to a proper  
18 exhibit of its business and standing and plan of  
19 working, and if he deems it expedient, he may  
20 license such corporation, association or society to  
21 do business in this State in accordance with the  
22 provisions of this act. For such license he may  
23 receive a fee of twenty dollars.

SECT. 7. Every corporation, association or so-  
2 ciety doing business as herein defined shall annual-  
3 ly, on or before the first day of April, report to the  
4 insurance commissioner the names and addresses  
5 of its president, secretary and treasurer, or other  
6 officers answering thereto, and shall make such  
7 further statements of its membership and financial  
8 transactions for the year ending on the preceding  
9 thirty-first day of December, with other inform-  
10 ation relating thereto, as said commissioner may  
11 deem necessary to a proper exhibit of its business  
12 and standing; and the commissioner may at other  
13 times require any further statement he may deem  
14 necessary to be made relating to such corporation.

SECT. 8. Any person who shall solicit member-  
2 ship for, or in any manner assist in procuring

3 membership in any such corporation or organiza-  
4 tion doing a business not authorized by this act, or  
5 who shall solicit membership for, or in any manner  
6 assist in procuring membership in any such cor-  
7 poration or organization not authorized, as herein  
8 provided, to do business as herein defined, in this  
9 State, shall be guilty of a misdemeanor, and, upon  
10 conviction thereof, shall be punished by a fine of  
11 not less than fifty nor more than two hundred  
12 dollars.

SECT. 9. The money or other benefit, charity,  
2 relief, or aid to be paid, provided or rendered by  
3 any corporation, association or society authorized  
4 to do business under this act, and as herein pro-  
5 vided, shall not be liable to attachment by trustee,  
6 or other process, and shall not be seized, taken or  
7 appropriated or applied by any legal or equitable  
8 process, nor by operation of law, to pay any debt  
9 or liability of a certificate holder, or any beneficiary  
10 thereof.

SECT. 10. Any solicitor, agent or examining  
2 physician, who shall knowingly or wilfully make  
3 any false or fraudulent statement or representation  
4 in or with reference to any application for member-  
5 ship, or for the purpose of obtaining any money  
6 or benefit, in any corporation, association or society



7 transacting business under this act, shall be guilty  
8 of a misdemeanor, and, upon conviction, shall be  
9 punished by a fine of not less than one hundred  
10 nor more than five hundred dollars, or by imprison-  
11 ment not less than thirty days nor more than one  
12 year, or both; and any person who shall wilfully  
13 make a false statement of any material fact or  
14 thing in a sworn statement as to the death or dis-  
15 ability of a certificate holder in any such corpor-  
16 ation, for the purpose of procuring the payment of  
17 the benefit named in the certificate of such holder,  
18 shall be guilty of perjury, and, upon conviction,  
19 shall be punished accordingly.

SECT. 11. Any fraternal beneficiary corporation  
2 existing under the laws of this State, and now en-  
3 gaged in transacting business as herein defined,  
4 may re-incorporate under the provisions of this  
5 act; *provided*, that nothing in this act contained  
6 shall be construed as requiring any such corpor-  
7 ation to re-incorporate; and any such corporation  
8 may continue to exercise all the rights, powers and  
9 privileges conferred by this act, and its articles of  
10 incorporation not inconsistent herewith, and shall  
11 be subject to the requirements and penalties of this  
12 act the same as if re-incorporated hereunder.

SECT. 12. No charter granted under the provisions of this act shall be valid after one year from its date unless the organization has been completed and business begun thereunder.

SECT. 13. Any such corporation, association or society, neglecting to comply with, or violating the provisions of this act shall be fined not less than fifty nor more than two hundred dollars, upon conviction thereof.

SECT. 14. The provisions of the act enacted by this legislature, relating to the formation of assessment insurance companies shall not apply to corporations, associations or societies organized under or transacting business in conformity to this act.



**STATE OF MAINE.**

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**HOUSE OF REPRESENTATIVES, }  
February 15, 1889. }**

Tabled pending third reading, and ordered printed on motion of Mr.  
**ROBIE** of Gorham.

**NICHOLAS FESSENDEN, Clerk.**