

MAINE STATE LEGISLATURE

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SEVENTY-EIGHTH LEGISLATURE

SENATE

NO. 12

In Senate, Jan. 18, 1917.

Referred to committee on Judiciary and five hundred copies ordered printed. Sent down for concurrence.

W. E. LAWRY, Secretary.

Presented by Mr. Deering of York.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND SEVENTEEN

AN ACT to provide Whole Family Protection for Members of
Fraternal Benefit Societies.

Be it enacted by the People of the State of Maine, as follows:

Section 1. Any fraternal benefit society authorized to do
2 business in this State and operating on the lodge plan, may
3 provide in its constitution and by-laws, in addition to other
4 benefits provided for therein, for the payment of death or
5 annuity benefits upon the lives of children between the ages
6 of two and eighteen years at next birthday, for whose sup-
7 port and maintenance a member of such society is respon-
8 sible. Any such society may at its option, organize and

9 operate branches for such children and membership in local
10 lodges and initiation therein shall not be required of such
11 children, nor shall they have any voice in the management
12 of the society. The total benefits payable as above provided
13 shall in no case exceed the following amounts at ages at next
14 birthday at time of death, respectively, as follows: two,
15 Thirty-four Dollars; three, Forty Dollars; four, Forty-eight
16 Dollars; five, Fifty-eight Dollars; six, One Hundred and
17 Forty Dollars; seven, One Hundred and Sixty-eight
18 Dollars; eight, Two Hundred Dollars; nine, Two Hundred
19 and Forty Dollars; ten, Three Hundred Dollars; eleven,
20 Three Hundred and Eighty Dollars; twelve, Four Hundred
21 and Sixty Dollars; thirteen to fifteen, Five Hundred and
22 Twenty Dollars; and sixteen to eighteen years, where not
23 otherwise authorized by law, Six Hundred Dollars.

Sect. 2. No benefit certificate as to any child shall take
2 effect until after medical examination or inspection by a
3 licensed medical practitioner, in accordance with the laws of
4 the society, nor shall any such benefit certificate be issued
5 unless the society shall simultaneously put in force at least
6 five hundred such certificates, on each of which at least one
7 assessment has been paid, nor where the number of lives
8 represented by such certificate falls below five hundred.
9 The death benefit contributions to be made upon such certifi-
10 cate shall be based upon the "Standard Industrial Mortality
11 Table" or the "English Life Table Number Six" and a rate
12 of interest not greater than four per cent. per annum, or

13 upon a higher standard; provided that contributions may be
14 waived or returns may be made from any surplus held in
15 excess of reserve and other liabilities, as provided in the
16 by-laws, and, provided further that extra contributions
17 shall be made if the reserves hereafter provided for become
18 impaired.

Sect. 3. Any society entering into such insurance agree-
2 ments shall maintain on all such contracts the reserve
3 required by the standard of mortality and interest adopted
4 by the society for computing contributions as provided in
5 Section 2, and the funds representing the benefit contribu-
6 tions and all accretions thereon shall be kept as separate
7 and distinct funds, independent of the other funds of the
8 society, and shall not be liable for nor used for the payment
9 of the debts and obligations of the society other than the
10 benefits herein authorized; provided, that a society may
11 provide that when a child reaches the minimum age for
12 initiation into membership in such society, any benefit
13 certificate issued hereunder may be surrendered for can-
14 cellation and exchanged for any other form of certificate
15 issued by the society, provided that such surrender will not
16 reduce the number of lives insured in the branch below five
17 hundred, and upon the issuance of such new certificate any
18 reserve upon the original certificate herein provided for
19 shall be transferred to the credit of the new certificate.
20 Neither the person who originally made application for
21 benefits on account of such child, nor the beneficiary named

22 in such original certificate, nor the person who paid the con-
23 tributions, shall have any vested right in such new certificate,
24 the free nomination of a beneficiary under the new certificate
25 being left to the child so admitted to benefit membership.

Sect. 4. An entirely separate financial statement of the
2 business transactions and of assets and liabilities arising
3 therefrom shall be made in its annual report to the
4 Insurance Commissioner by any society availing itself of the
5 provisions hereof. The separation of assets, funds and
6 liabilities required hereby shall not be terminated, rescinded
7 or modified, nor shall the funds be diverted for any use
8 other than as specified in Section 3, as long as any certifi-
9 cates issued hereunder remain in force, and this require-
10 ment shall be recognized and enforced in any liquidation,
11 reinsurance, merger or other change in the condition of the
12 status of the society.

Sect. 5. Any society shall have the right to provide in
2 its laws and the certificate issued hereunder for specified
3 payments on account of the expense or general fund, which
4 payments shall or shall not be mingled with the general
5 fund of the society as its constitution and by-laws may
6 provide.

Sect. 6. In the event of the termination of membership in
2 the society by the person responsible for the support of any
3 child, on whose account a certificate may have been issued,
4 as provided herein, the certificate may be continued for the
5 benefit of the estate of the child, provided the contributions

6 are continued, or for the benefit of any other person
7 responsible for the support and maintenance of such child,
8 who shall assume the payment of the required contributions.