

# MAINE STATE LEGISLATURE

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NEW DRAFT.

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SEVENTY-EIGHTH LEGISLATURE

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SENATE

NO. 152

*In Senate, Feb. 13, 1917.*

*Reported by Mr. Deering from Committee on Judiciary and  
ordered printed under joint rules.*

*W. E. LAWRY, Secretary.*

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STATE OF MAINE

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

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

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*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 forty  
17 dollars; seven, one hundred and sixty-eight dollars; eight,  
18 two hundred dollars; nine, two hundred and forty dollars;  
19 ten, three hundred dollars; eleven, three hundred and eighty  
20 dollars; twelve, four hundred and sixty dollars; thirteen to  
21 fifteen, five hundred and twenty dollars; and sixteen to  
22 eighteen years, where not otherwise authorized by law, six  
23 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  
4 of the society, nor shall any such benefit certificates be issued  
5 until the society shall have at least five hundred subscrip-  
6 tions therefor, on each of which at least one assessment has  
7 been paid, nor where the number of lives represented by  
8 such certificates fall below five hundred. The death benefit  
9 contributions to be made upon such certificates shall be based  
10 upon the "Standard Industrial Mortality Table" or the  
11 "English Life Table Number Six" and a rate of interest  
12 not greater than four per cent. per annum, or upon a higher

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

Sect. 3. Any society entering into such insurance agree-  
2 ments shall maintain on all such contracts the reserve re-  
3 quired by the standard of mortality and interest adopted by  
4 the society for computing contributions as provided in Sec-  
5 tion 2, and the funds representing the benefit contributions  
6 and all accretions thereon shall be kept as separate and dis-  
7 tinct funds, independent of the other funds of the society,  
8 and shall not be liable for nor used for the payment of the  
9 debts and obligations of the society other than the benefits  
10 herein authorized; provided, that a society may provide that  
11 when a child reaches the minimum age for initiation into  
12 membership in such society, any benefit certificate issued  
13 hereunder may be surrendered for cancellation and ex-  
14 changed for any other form of certificate issued by the so-  
15 ciety, provided that such surrender will not reduce the num-  
16 ber of lives insured in the branch below five hundred, and  
17 upon the issuance of such new certificate any reserve upon  
18 the original certificate herein provided for shall be trans-  
19 ferred to the credit of the new certificate. Neither the per-  
20 son who originally made application for benefits on account  
21 of such child, nor the beneficiary named in such original  
22 certificate, nor the person who paid the contributions, shall  
23 have any vested right in such new certificate, the free nomi-

24 nation of a beneficiary under the new certificate being left  
25 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 insur-  
4 ance commissioner by any society availing itself of the pro-  
5 visions hereof. The separation of assets, funds and liabili-  
6 ties required hereby shall not be terminated, rescinded or  
7 modified, nor shall the funds be diverted for any use other  
8 than as specified in Section 3, as long as any certificates  
9 issued hereunder remain in force, and this requirement shall  
10 be recognized and enforced in any liquidation, reinsurance,  
11 merger or other change in the condition of the status of the  
12 society.

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

Sect. 6. In the event of the termination of membership  
2 in the society by the person responsible for the support of  
3 any child, on whose account a certificate may have been  
4 issued, as provided herein, the certificate may be continued  
5 for the benefit of the estate of the child, provided the con-  
6 tributions are continued, or for the benefit of any other  
7 person responsible for the support and maintenance of such  
8 child, who shall assume the payment of the required con-  
9 tributions.