

HOUSE No. 485.

[Bill accompanying the petition of John H. Butler. Insurance.]

Commonwealth of Massachusetts.

In the Year One Thousand Eight Hundred and Ninety-nine.

AN ACT

To extend the Powers of Fraternal Beneficiary Organizations.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section eleven of chapter four hun-
2 dred and seventy-four of the acts of the year eighteen
3 hundred and ninety-eight is hereby amended by inserting
4 after the word "benefits" in the tenth line the follow-
5 ing: "And may make provision for payments of or
6 for death benefits to the beneficiaries of deceased mem-
7 bers of the same general fraternity having a similar name
8 and like ritualistic ceremonies not holding benefit certifi-
9 cates issued by said corporation but issued by the su-
10 preme body of such fraternity or one of its grand bodies
11 organized or incorporated elsewhere than in this Com-
12 monwealth, under an arrangement or agreement with
13 such supreme body and in compliance with its laws or
14 rules whereby said corporation may afford relief and aid

15 by payments for such death benefits as aforesaid, or itself
16 receive similar payments for relief and aid to the benefi-
17 ciaries of its deceased members as the case may require
18 and such laws and rules provide," so that said section
19 as amended shall read as follows:—

20 *Section 11.* Any corporation duly organized and trans-
21 acting business under this act, which conducts its business
22 as a fraternal society on the lodge system, or which limits
23 its certificate holders to a particular order, class, or fra-
24 ternity, or to the employees of towns, cities, or the Com-
25 monwealth, or of a designated firm, business house or
26 corporation, may make provision for the payment of ben-
27 efits in case of death, or may make provision for the pay-
28 ment of benefits in case of sickness or disability, or both
29 death benefits and sick or disability benefits. And may
30 make provision for payments of or for death benefits to
31 the beneficiaries of deceased members of the same gen-
32 eral fraternity having a similar name and like ritualistic
33 ceremonies not holding benefit certificates issued by said
34 corporation but issued by the supreme body of such fra-
35 ternity or one of its grand bodies organized or incorpo-
36 rated elsewhere than in this Commonwealth, under an
37 arrangement or agreement with such supreme body and
38 in compliance with its laws or rules whereby said corpo-
39 ration may afford relief and aid by payments for such
40 death benefits as aforesaid, or itself receive similar pay-
41 ments for relief and aid to the beneficiaries of its de-
42 ceased members as the case may require, and such laws
43 and rules provide.

44 The funds from which the payments of such benefits
45 shall be made shall be derived from assessments collected
46 from the members. Such provision, funds, assessments
47 and payments shall be as required and provided for in its
48 by-laws. Such death benefits shall be only payable to
49 the husband, wife, affianced husband, affianced wife, child

50 by legal adoption, parent by legal adoption, relatives of,
51 or persons dependent upon the member named in the
52 benefit certificate: *provided, however*, that in any in-
53 stance where a benefit certificate has been issued in
54 accordance with the above provisions and the husband,
55 wife, affianced husband, affianced wife, child, child by
56 legal adoption, parent, parent by legal adoption, or per-
57 sons dependent upon the member named in the benefit cer-
58 tificate have all died, the member with the consent of the
59 officers of the corporation, and under such rules as they
60 may prescribe, may have the certificate transferred to any
61 other person.

62 Any such corporation may hold as a death fund belong-
63 ing to the beneficiaries of anticipated deceased members
64 an amount not exceeding three assessments from a gen-
65 eral or unlimited membership, or an amount not exceeding
66 in the aggregate three assessments from each limited
67 class or division of its members; and in addition thereto
68 may create, collect, maintain, disburse and apply an
69 emergency fund in accordance with its by-laws, not how-
70 ever, at any time exceeding in amount collected from its
71 members three per centum of the aggregate face value of
72 all its then outstanding benefit certificates. If any part
73 of such fund payable by a member under such by-laws
74 shall remain unpaid at his decease the same may be de-
75 ducted from the amount payable to his beneficiary or
76 beneficiaries; and, *provided, further*, that any decrease
77 in such face value shall not require a corresponding dim-
78 inution of such emergency fund. Such death fund while
79 held in trust shall be invested in securities in which in-
80 surance companies are allowed by law to invest their
81 capital, or deposited in safe banking institutions subject
82 to sight drafts, for distribution to the beneficiaries afore-
83 said. Such emergency fund shall be invested in securi-
84 ties in which insurance companies are allowed by law to

85 invest their capital, or not exceeding twenty per centum
86 thereof in a building for use and occupancy by the corpo-
87 ration as its home office, within this Commonwealth;
88 and such securities shall be deposited in trust with the
89 treasurer of the Commonwealth, but the corporation
90 shall have at all times the right to exchange any part of
91 said securities for others that said treasurer may deter-
92 mine to be of equal value and character. No portion
93 of said securities shall be withdrawn except upon a req-
94 uisition signed by three-fourths of the directors or exec-
95 utive committee, or other officers corresponding thereto,
96 and endorsed by the insurance commissioner, setting
97 forth that the same is to be used for the purposes of the
98 trust.

99 No portion of the funds herein provided shall be used
100 for any other purposes than as heretofore specifically
101 prescribed, and no assessment for the disability fund
102 shall be called while there remains on hand of such fund
103 an amount equal to that received from one assessment:
104 *provided, however,* that payments for total permanent
105 disability may be made from the death fund.

106 No contract under this section shall be valid or legal
107 which shall be conditional upon an agreement or under-
108 standing that the beneficiary shall pay the dues and
109 assessments, or either of them. Death and disability
110 assessments may be called together; *provided,* that the
111 proportion to be used for either purpose shall be dis-
112 tinctly stated and the amount received for each fund
113 shall be held and used only in the manner heretofore
114 provided. The fund from which the expenses shall be
115 defrayed may be derived from a per capita tax, dues or
116 expense assessments.

1 SECTION 2. This act shall take effect upon its pas-
2 sage.