

New York and
New England
Railroad Com-
pany may guar-
antee payment.

SECTION 3. The New York and New England Railroad Company, a corporation organized and existing under the laws of the Commonwealth and of the states of Rhode Island, Connecticut and New York, is hereby authorized to guarantee the payment of both principal and interest of said bonds: *provided*, that the provisions of this act are accepted by the votes of a majority in interest of the stockholders of said New York and New England Railroad Company at a meeting called for that purpose.

Leases not
affected.

SECTION 4. The powers hereby conferred shall in no wise affect any existing leases of the two first named corporations to the New York and New England Railroad Company.

Repeal.

SECTION 5. All acts and parts of acts inconsistent herewith are hereby repealed; and this act shall take effect upon its passage. *Approved May 27, 1890.*

Chap. 341

AN ACT CONCERNING FRATERNAL BENEFICIARY CORPORATIONS.

Be it enacted, etc., as follows :

Amendments to
1888, 429, §§
8-12.

SECTION 1. Sections eight, nine, ten, eleven and twelve of chapter four hundred and twenty-nine of the acts of the year eighteen hundred and eighty-eight are hereby amended to read as follows:— *Section 8.* Any corporation duly organized as aforesaid, which does not employ paid agents in soliciting or procuring business other than in the preliminary organization of local branches, and which conducts its business as a fraternal society on the lodge system, or limits its certificate holders to a particular order, class or fraternity, or to the employees of a particular town or city, designated firm, business house or corporation, may provide in its by-laws for the payment, from time to time, as required, of a fixed sum by each member, and from this income may make weekly or other payments to any member during a period of disability of such member, or pay a benefit to the member or his family at the end of such period of time as shall be fixed by said by-laws and written in the benefit certificate issued to said member: *provided*, that the sum paid as sick benefits to a member may be deducted from the total amount to become due at the maturity of the certificate. The money derived from assessments as set forth in this section shall be divided into two funds as follows: not exceeding fifty per cent. shall be set aside as a reserve fund for the exclusive payment of matured endowment

May pay sick
benefits.

Proviso.

Money to be
divided into
reserve and
benefit funds.

certificates; the residue from each assessment shall be placed in a benefit fund to be applied exclusively to the payment of disability benefits, and no portion of the money received from assessments shall be devoted to or used for any other purpose, or carried to any other fund than as herein provided. Assessments shall be called by such corporations only as may be required to pay in full benefits accruing from sickness or disability and the amount aforesaid for the reserve fund: *provided*, that the corporation may have in its benefit fund in anticipation of such claims the amount of one full assessment upon all its members, but no assessment shall be made while there remains unexpended in said benefit fund an amount equal to one assessment as aforesaid. The reserve fund of such corporations which are or shall be organized under this act shall be invested in securities in which insurance companies are allowed by law to invest their capital, and these securities shall be deposited in trust with the treasurer of the Commonwealth; but the corporations shall have at all times the right to exchange any part of said securities for others that the said treasurer may determine to be of equal value and character. No portion of said securities shall be drawn except upon a requisition signed by three-fourths of the executive committee, or other officers corresponding thereto, and endorsed by the insurance commissioner, setting forth that the same is to be used for the purposes of the trust: *provided*, that any such corporation within a period of three months preceding the date of maturity of endowment certificates may make any necessary assessments to enable it to meet such obligations, and carry the entire amount received upon such assessments to the reserve fund; *provided, further*, that any such corporation which pays death benefits may make assessments therefor and may hold at any one time, as a death fund belonging to the beneficiaries of anticipated deceased members, an amount not exceeding one assessment from a general or unlimited membership, or an amount not exceeding in the aggregate one assessment from each limited class or division of its members. *Section 9.* Any corporation organized under or conducting its business in accordance with the provisions of this act, which does not pay a benefit to a member or his family at the end of a fixed period of time, may provide in its by-laws for the payment from time to time as required, of a

Benefit fund.

Reserve fund.

May exchange securities.

Death fund.

May provide for a fixed sum to be paid to beneficiaries of anticipated deceased members.

fixed sum by each member, to be paid to the beneficiaries of deceased members, in such amount and manner as shall be fixed by said by-laws and written in the benefit certificate issued to said member, and payable to the husband, wife, affianced husband, affianced wife, relatives of, or persons dependent upon, such member. Any such corporation may hold as a death fund belonging to the beneficiaries of anticipated deceased members, an amount not exceeding five assessments from a general or unlimited membership, or an amount not exceeding in the aggregate five assessments from each limited class or division of its members. Such fund, if not exceeding one assessment as aforesaid, while held in trust shall be invested in securities in which insurance companies are allowed by law to invest their capital, or deposited in safe banking institutions subject to sight drafts for distribution to the beneficiaries aforesaid.

Death fund.

Emergency fund.

The amount of such fund in excess of one assessment shall be deemed an emergency fund and shall be invested in securities in which insurance companies are allowed by law to invest their capital, or not exceeding twenty per cent. thereof in a building for use and occupancy by the corporation as its home office within this Commonwealth; and such securities shall be deposited in trust with the treasurer of the Commonwealth, but the corporation shall have at all times the right to exchange any part of said securities for others that said treasurer may determine to be of equal value and character. No portion of said securities shall be drawn except upon a requisition signed by three-fourths of the executive committee, or other officers corresponding thereto, and endorsed by the insurance commissioner setting forth that the same is to be used for the purposes of the trust. Such corporation may also provide in its by-laws for the payment from time to time as required of a fixed sum by each member, and from the amount thus received may make weekly or other payments to members during a period of disability. This fund shall be used for no other purposes than herein prescribed, and no assessment therefor shall be called while there remains on hand of such fund an amount equal to that received from one assessment. No contract under this section shall be valid or legal which shall be conditional upon an agreement or understanding that the beneficiary shall pay the dues and assessments, or either of them. *Section 10.*

Securities to be deposited with state treasurer.

Weekly payments during period of disability.

Assessments.

Any corporation organized under or conducting its busi-

ness in accordance with the provisions of this act, and which has no per capita tax, may make not exceeding three assessments per year to meet its reasonably necessary expenses. The purpose of such assessments shall be clearly stated in calls therefor, and no assessment shall be called while the amount of one assessment remains on hand. Any corporation organized as aforesaid which limits its membership to the permanent employees of a particular town or city and which pays only annuities or gratuities contingent upon disability or long service, shall not be subject to the foregoing limitation as to the amount of funds to be held for purposes of its organization, and may accept and hold gifts, legacies or other contributions therefor. No corporation shall re-insure with or transfer its membership certificates or funds to any organization not authorized to do business in this Commonwealth.

Limitation as to amount of funds.

Transfer of membership certificates, etc.

Section 11. Fraternal beneficiary corporations, associations or societies organized under the laws of another state, now transacting in this Commonwealth business as herein defined, may continue such business upon the plans heretofore governing them, as reported to the insurance department, and by otherwise conforming to the provisions of this act. *Section 12.* Every corporation doing business under the foregoing provisions shall annually, on or before the first day of March in each year, report to the insurance commissioner the location of its principal office in this Commonwealth, and the names and addresses of its president, secretary and treasurer, or other officers answering thereto; and shall make, under oath, such statements of its membership and financial transactions for the year ending on the preceding thirty-first day of December, with other information relating thereto, as said commissioner may deem necessary to a proper exhibit of its business and standing; and the commissioner may at other times require any further sworn statement he may deem necessary relating to any such corporation.

Foreign fraternal beneficiary associations, etc.

Reports to the insurance commissioner.

SECTION 2. No charter shall hereafter be granted to any corporation to transact the business defined in section eight of chapter four hundred and twenty-nine of the acts of the year eighteen hundred and eighty-eight, as amended by this act.

New charters not to be granted under 1888, 429, § 8.

SECTION 3. This act shall take effect upon its passage.

Approved May 28, 1890.