

**§4104. Organization**

The organization of a society shall be governed as follows. [PL 1969, c. 132, §1 (NEW).]

1. Seven or more citizens of the United States, a majority of whom are citizens of this State, who desire to form a fraternal benefit society, may make, sign and acknowledge before some officer competent to take acknowledgment of deeds, articles of incorporation, in which shall be stated:

A. The proposed corporate name of the society, which shall not so closely resemble the name of any society or insurance company as to be misleading or confusing; [PL 1969, c. 132, §1 (NEW).]

B. The purposes for which it is being formed and the mode in which its corporate powers are to be exercised. Such purposes shall not include more liberal powers than are granted by this chapter, provided that any lawful, social, intellectual, educational, charitable, benevolent, moral, fraternal or religious advantages may be set forth among the purposes of the society; and [PL 1969, c. 132, §1 (NEW).]

C. The names and residences of the incorporators and the names, residences and official titles of all the officers, trustees, directors or other persons who are to have and exercise the general control of the management of the affairs and funds of the society for the first year or until the ensuing election at which all such officers shall be elected by the supreme legislative or governing body, which election shall be held not later than one year from the date of the issuance of the permanent certificate. [PL 1969, c. 132, §1 (NEW).]

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2. Such articles of incorporation, duly certified copies of the constitution, laws and rules, copies of all proposed forms of certificates, applications therefor, and circulars to be issued by the society and a bond conditioned upon the return to applicants of the advanced payments if the organization is not completed within one year must be filed with the superintendent, who may require such further information as the superintendent considers necessary. The bond with sureties approved by the superintendent must be in such amount, not less than \$5,000 nor more than \$25,000, as required by the superintendent. All documents filed are to be in the English language. If the purposes of the society conform to the requirements of this chapter and all provisions of law have been complied with, the superintendent shall so certify, retain and file the articles of incorporation and furnish the incorporators a preliminary certificate authorizing the society to solicit members as hereinafter provided.

[RR 2021, c. 1, Pt. B, §323 (COR).]

3. No preliminary certificate granted under this section shall be valid after one year from its date or after such further period, not exceeding one year, as may be authorized by the superintendent upon cause shown, unless the 500 applicants hereinafter required have been secured and the organization has been completed as herein provided. The articles of incorporation and all other proceedings thereunder shall become null and void in one year from the date of the preliminary certificate, or at the expiration of the extended period, unless the society shall have completed its organization and received a certificate of authority to do business as hereinafter provided.

[PL 1969, c. 132, §1 (NEW); PL 1973, c. 585, §12 (AMD).]

4. Upon receipt of a preliminary certificate from the superintendent, the society may solicit members for the purpose of completing its organization, shall collect from each applicant the amount of not less than one regular monthly premium in accordance with its table of rates as provided by its constitution and laws, and shall issue to each such applicant a receipt for the amount so collected. No society shall incur any liability other than for the return of such advance premium, nor issue any certificate, nor pay, allow or offer or promise to pay or allow, any death or disability benefit to any person until:

A. Actual bona fide applications for death benefits have been secured aggregating at least \$500,000 on not less than 500 lives; [PL 1969, c. 132, §1 (NEW).]

B. All such applicants for death benefits shall have furnished evidence of insurability satisfactory to the society; [PL 1969, c. 132, §1 (NEW).]

C. Certificates of examinations or acceptable declarations of insurability have been duly filed and approved by the chief medical examiner of the society; [PL 1969, c. 132, §1 (NEW).]

D. Ten subordinate lodges or branches have been established into which the 500 applicants have been admitted; [PL 1969, c. 132, §1 (NEW).]

E. There has been submitted to the superintendent, under oath of the president or secretary, or corresponding officer of the society, a list of such applicants, giving their names, addresses, date each was admitted, name and number of the subordinate branch of which each applicant is a member, amount of benefits to be granted and premiums therefor; and [PL 1969, c. 132, §1 (NEW); PL 1973, c. 585, §12 (AMD).]

F. It shall have been shown to the superintendent by sworn statement of the treasurer, or corresponding officer of such society, that at least 500 applicants have each paid in cash at least one regular monthly premium as herein provided, which premiums in the aggregate shall amount to at least \$2,500, all of which shall be credited to the fund or funds from which benefits are to be paid and no part of which may be used for expenses. The advance premiums shall be held in trust during the period of organization and if the society has not qualified for a certificate of authority within one year, as herein provided, such premiums shall be returned to the applicants. [PL 1969, c. 132, §1 (NEW); PL 1973, c. 585, §12 (AMD).]

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5. The superintendent may make such examination and require such further information as the superintendent considers advisable. Upon presentation of satisfactory evidence that the society has complied with all the provisions of law, the superintendent shall issue to the society a certificate to that effect and that the society is authorized to transact business pursuant to the provisions of this chapter. The certificate is prima facie evidence of the existence of the society at the date of such certificate. The superintendent shall cause a record of such certificate to be made. A certified copy of such record may be given in evidence with like effect as the original certificate.

[RR 2021, c. 1, Pt. B, §324 (COR).]

6. Every society shall have the power to adopt a constitution and laws for the government of the society, the admission of its members, the management of its affairs and the fixing and readjusting of the rates of its members from time to time. It shall have the power to change, alter, add to or amend such constitution and laws and shall have such powers as are necessary and incidental to carrying into effect the objects and purposes of the society.

[PL 1969, c. 132, §1 (NEW).]

#### SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1973, c. 585, §12 (AMD). RR 2021, c. 1, Pt. B, §§323, 324 (COR).

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